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The Hongkong Telegraph.

FIRST EDITION

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I'm going home to my PHILCO

Income Tax UP: Surtax UP: Tobacco UP: Beer UP: Estate Duty UP: Wines UP

BRITAIN'S ALL-TIME HIGH RECORD BUDGET

(SPECIAL TO THE "TELEGRAPH")

LONDON, JULY 23 (UP).—BRITAIN'S SECOND 1940 BUDGET HAS INCREASED INCOME TAX TO THE ALL-TIME RECORD OF 8s. 6d. IN THE £.

THE INITIAL £165 WILL BE TAXABLE AT THE RATE OF 5s. INSTEAD OF 4s. 3d.

SURTAX ON INCOMES EXCEEDING £2,000 WILL BE INCREASED FROM 1s. 3d. TO 2s. THE HIGHEST RATE OF 9s. 6d. SURTAX WILL BE APPLICABLE TO ALL INCOMES OVER £20,000.

TOBACCO WILL COST ANOTHER 2s. A POUND EXTRA.

Duty on estates over £10,000 will be increased to 10 per cent.

The higher income tax will increase receipts by £60,000,000 this year and £84,000,000 in the next full year.

Receipts from income tax and surtax will be £635,000,000 for a full year, which is more than the total revenue from all sources in the years before the 1914-18 war.

GET YOUR MONEY READY

LONDON, July 23. (Reuter).—Sir Kingsley Wood, Chancellor of the Exchequer, began his Budget speech in the House of Commons to-day at 3.20 p.m. G.M.T. to cries from the Opposition benches of "Get Your Money Ready."

The Chancellor said that in the April Budget, the total of £2,000,000,000 was given with all reserve as a provisional round figure for war expenditure during the current year. It was then stated that under the present conditions, any estimate made for so long ahead was bound to be largely in the nature of a guess.

The revised estimated war expenditure for the current year was £2,800,000,000.

The revised estimated excess of expenditure over revenue would be in the region of £2,200,000,000.

£40,000,000 A Week

The figure of £2,000,000,000, estimated in April for war expenditure, represented an average of £40,000,000 a week during the year. The rate of expenditure during recent weeks had been £50,000,000.

The latest figures showed that for the four weeks ended July 20, the rate was £57,000,000 a week.

With an increase of £800,000,000 in the estimated war expenditure, the total of all expenditure came to £3,467,000,000.

The excess of expenditure thus estimated over revenue would be in the region of £2,200,000,000.

Not So Alarming

While the gap between revenue and expenditure was formidable, it was not so alarming as at first sight might appear. "To meet that part of our expenditure paid overseas, we are able to a considerable extent to draw upon outside resources in three principal ways.

"Firstly, we can dispose overseas of gold which is the property of the Government and which other nations are ready to purchase.

"Secondly, we can dispose of securities which the Government has purchased from persons in this country.

"Thirdly, the Dominions and India are not spending the whole of the proceeds of our large expenditure upon their products but are allowing part of them to accumulate in the form of balances and other short term investments in this country."

Large Gap To Fill

The Chancellor said there was a large gap to fill which would require further considerations and continued efforts in the form of increased taxation and additional savings and behind this formidable problem there lay economic problems of fundamental importance.

One consequence of the huge expenditure, which the Government was incurring, was that the total money income of the community was on a balance higher than it was.

Continuing, Sir Kingsley Wood says it was the Government's intention to extend restrictions on normal supplies to traders. By this action they would enable manufacturers to maintain, and where possible, to extend the export trade which must be regarded as a vital part of the war effort.

"There must be increased direct and indirect taxation. It is evident that further taxation on the largest scale possible and covering as wide a field as possible is imperative.

Ready Response Anticipated

"It is also equally plain that we cannot expect to raise by taxation at once and with one Budget so quickly following another all the sums that will have to come still further from this source. There are severe limits at any rate on certain means of obtaining new revenue.

"Income tax five years ago was at the standard rate of 4s. 6d. and yielded roughly £290,000,000. To-day the estimate yield is £525,000,-

Turn to Page 5, Second Column

MEAL-TIME FOR THE EVACUEE CHILDREN



THE TWO PHOTOGRAPHS on this page were received by Clipper air mail last night. They were taken at Building No. 140, Fort McKinley, and show the evacuee children receiving their mid-day meal. Above the children line up at the tables with their tin plates, into which the food is ladled from the dixies. LEFT, another meal-time scene.

DENOUNCES RUSSIA

Outspoken Comment By Sumner Welles

WASHINGTON, July 23 (Reuter).—Mr. Sumner Welles, who is acting Secretary of State in the absence of Mr. Cordell Hull who is at Havana, to-day denounced the absorption of Estonia, Latvia and Lithuania by the USSR as a "deliberate annihilation".

He told a press conference that the people of the United States "are opposed to predatory activities, no matter whether they are carried on by the use of force or the threat of force."

In a formal statement, Mr. Welles said that although the three States had voted to join Russia, the United States would continue to recognise their Ministers as Ministers of sovereign governments now under duress.

Washington Flutter

WASHINGTON, July 23 (Reuter).—Mr. Sumner Welles, Assistant Secretary of State, denouncing the Soviet absorption of the three Baltic states, caused considerable surprise among political observers in Washington.

It had been believed that relations between the United States and the U.S.S.R. were improving—a belief supported by the steps taken recently to release machine tools and other goods to the U.S.S.R.

The contents of Mr. Welles' statement perhaps are less striking than its biting phraseology.

It is generally supposed that the President must have been consulted before the statement was made, but it is not clear whether it was referred to Mr. Cordell Hull.

Minister Rebels

LONDON, July 23 (Reuter).—"Reuter's" diplomatic correspondent learns that the Estonian Minister in London has informed the Foreign Minister that he is unable to recognise the surrender of independence of his country as a free genuine expression of the will of the Estonian people.

Consequently, he does not regard as binding any decision or act emanating from a Government which no longer represents the free Estonian people.

Similar demarches were made by the Ministers of Latvia and Lithuania.

At the same time, they handed the Foreign Office a memorandum based on the constitution of the three countries whereby they will endeavour to establish that the elections were held under foreign pressure.

INCORPORATION OF LITHUANIA

KAUNAS, July 23 (Reuter).—The Seimas (Diet) has decided to send a delegation consisting of 20 persons, headed by President Paleckis, to Moscow to carry out arrangements for the incorporation of Lithuania in the Soviet Union.

The nationalisation of banks, large enterprises and estates of over 75 acres has also been decided upon by the Seimas.

Greetings have been sent to Stalin.



Another Dramatic Evacuation Development

AMAZING ALLEGATION BY AUSTRALIAN GOVT.

THE AMAZING allegation that the Hongkong Government has not kept the Australian Government informed of the evacuees situation, and that cables from Canberra, the Australian capital, have remained unanswered is contained in a "United Press" message received from Canberra this morning.

The message states that the Commonwealth Government has been unable to proceed with its plans for the reception of the Hongkong evacuees because of lack of information.

The Australian authorities are still awaiting information from Hongkong regarding the number and classification of evacuees, and the date of their departure from Hongkong and Manila.

"It is stated in Canberra that cables seeking information from Hongkong have remained unanswered," the "United Press" correspondent reported.

Official Reply

The Colonial Secretary, Hon. Mr. R. A. C. North, was informed of the contents of the "United Press" message.

Mr. North said: "There appears to be some mistake. If it is meant that

Turn to Page 5, First Column

Homeside Evacuation Discrimination Denied

LONDON, July 23 (Reuter).—A question on the overseas evacuation of children was raised in the House of Lords to-day by Lord Marley, replying to whom Lord Snell said that there was no discrimination in Government's scheme such as children of well-to-do parents getting to the Dominions and the United States while the children of poorer parents had no such advantages.

Some children had been sent away by parents at their own risk before the Government scheme was on foot. Government was not responsible for that nor did it make any provision for the journey. Unless it was contended that Government should have prohibited such an arrangement there was no case against Government on this point.

Situation Altered

Government could not foresee that when the scheme was launched that it would appeal to so large a proportion of parents. The situation had been altered by an unexpected number of applicants. So far there had been applications in respect of 175,000 children in state-aided schools and 16,580 children outside those schools.

These figures proved how little substance there was in the suggestion that there was some kind of social distinction in Government's scheme. The postponement of the scheme was a matter of deepest disappoint-

Turn to Page 5, Third Column

R.A.F. Carry On The Good Work

DESTROYING NAZIS SINEWS OF WAR

LONDON, July 23 (Reuter).—Further details of last night's R.A.F. attacks are given by the Air Ministry news service.

At Bremen and Fockewulf, aircraft works already damaged in previous raids, were bombed for the second night in succession.

Several explosions occurred and many fires were started.

Hits were also obtained on docks.

In a raid on an aircraft store at Paderborn, a large explosion was reported between the hangars from which columns of smoke were seen rising.

Oil Plant Hit

In an attack on an oil plant at Gelsinkirchen an observer reported a large explosion two minutes after bombs had been released, but a drifting cloud obscured the full result of the attack.

Another raider later reported that a large building was in flames and that columns of thick black smoke were seen.

While this raid was in progress, other aircraft were attacking an oil plant and Krupps munitions works at Essen, but clouds rendered accurate observation of the results impossible.

Widespread Damage

Another report says that an aircraft factory at Bremen, an aircraft park at Paderborn and military objectives in the Ruhr, including a synthetic oil plant at Gelsenkirchen

Turn to Page 5, First Column

Hungary's Claims

Hitler To Play His Usual Game

BUCHAREST, July 23 (Reuter).—The Prime Minister, M. Gigurti, and the Foreign Minister, M. Manoilescu, who have been invited to Salzburg on Friday, are expected to meet Hitler at lunch and to leave for Bucharest the same evening.

It is generally thought that the subject of the meeting will be Hungary's revisionist claims, and the outcome of the meeting is awaited with the greatest anxiety in informed quarters, which have little doubt that it will bring the Transylvanian issue to a head.

Rumania Incensed

The nature of the present Hungarian press and radio campaign has incensed Rumania and something like consternation has been caused by an article in the Budapest newspaper, "Pester Lloyd," on Sunday, strongly attacking the policy of the Rumanian Government.

The Budapest broadcast this morning alleged gross ill-treatment of Hungarian minorities in Transylvania and ended by declaring: "The fate of Rumania is sealed."

Political circles here are still confused over the division of interests in the Balkans between Russia and Germany. While it is generally assumed that Germany has for the moment resigned Rumania to the Soviet sphere, direct information from Berlin suggests that Hitler now wants clarification of the situation in south-east Europe before launching an offensive against Britain.

At the same time there are indications that Germany has underestimated the will for national liberty in the Balkans.

The Nazis are finding in Rumania stubborn resistance against even minor territorial cessions to Hungary.

SIMIA, July 23 (Reuter).—The Viceroy's War Purpose Fund now exceeds £760,000. Donations are pouring in from all quarters, ranging from a gift of over £11,000 a month from the Nizam of Hyderabad to four pence from a railway porter.

LATEST

Missing Sergeant Returns

Sergeant J. S. Burnett of the R.A.M.C., who has been "missing" for three weeks, is reported by the local police to have given himself up this morning.

It is reported that Sergeant Burnett returned to barracks and is now in the Military Hospital.

See Back Page For Further Late News

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TO LET.—For European occupation. Available for a few months. Desirable furnished or unfurnished flat. Four rooms. Modern sanitation. Mid-level overlooking harbour. Apply Box 583, "Hongkong Telegraph."

The Hongkong Telegraph Tenth Annual Amateur Photographic Competition

June — September, 1940.

Two Silver Trophies Awarded by ILFORD LTD.

For the best and second-best entries.

Four Silver Trophies Awarded by EASTMAN KODAK CO.

First Prizes in each of the four Sections.

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1st. Silver Cup. 2nd. $30. 3rd. $20. 4th. $12.50.

SECTION TWO

Portraits: Informal Close-ups: Human Studies.

1st. Silver Cup. 2nd. $30. 3rd. $20. 4th. $12.50.

SECTION THREE

Still Life and Table Top Studies.

1st. Silver Cup. 2nd. $30. 3rd. $20. 4th. $12.50.

SECTION FOUR

(Craftsmen's Section)

The whole of the work entailed in the production of every entry must have been done by the competitors who will be required to make a declaration to this effect. Each entry must have pasted on the back a special entry form obtainable on application from The Hongkong Telegraph or from the Hon. Secretary, Hongkong Photographic Society. Subjects at the discretion of competitors.

1st. Silver Cup. 2nd. $30. 3rd. $20. 4th. $12.50.

RULES

The following Rules will govern the Competition:

1.—The Competition is confined exclusively to amateur photographers.
2.—No employee or member of any firm in the photographic trade is permitted to compete.
3.—The prizes will be awarded to the competitors sending in what are adjudged to be the best photographs in each Section. Each entry must be accompanied by a form which will be published during the period of the Competition, and which must be pasted on back of entry.
4.—The right to publish any or all of the entries is reserved to the *Hongkong Telegraph*.
5.—All photographs entered must have been taken in the Colony of Hongkong. Photographs which have been already entered in other Competitions are ineligible
6.—No responsibility will be accepted for non-delivery of, loss of, or damage to entries.
7.—All entries to be either black, sepia, or toned pictures, and must be mounted. Coloured photographs are ineligible.
8.—Pictures submitted in sepia tones should be accompanied by a smaller print in black and white.
9.—No picture to entered in more than one Section.
10.—Mounts to be only white or cream, must be of one of the following sizes:—10×12, 16×20.
11.—No correspondence will be entered into in connection with the Competition.
12.—Members of the Staffs of the *Hongkong Telegraph* and the *South China Morning Post* are not permitted to compete.
13.—The decision of the Judges shall be final.
14.—At the conclusion of the Competition, entries will be returned to competitors on application at the *Telegraph* offices within seven days.

ENTRY FORM

NAME

SECTION

ADDRESS

Please use block letters and paste this on back of each Entry in sections 1, 2 and 3.

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NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an INTERIM DIVIDEND of Fifty (50) cents per Share has been declared payable on WEDNESDAY, 14th AUGUST next, on and after which date Dividend Warrants may be obtained upon application at the Registered Office of the Company, Canal Road East, Hongkong.

NOTICE IS HEREBY ALSO GIVEN that the REGISTER of MEMBERS of the Company will be closed from WEDNESDAY, 31st JULY, to WEDNESDAY, 14th AUGUST, 1940, both days inclusive.

By Order of the Board,
W. F. SIMMONS,
Secretary.

Hongkong, 22nd July, 1940.

IMMEDIATE DISPOSAL —SACRIFICE

CONTENTS of fully furnished flat—consisting of Super Quality Peking Rugs, Oil Paintings—complete crystal sets from finger bowls to liqueur glasses—Bronze Figures — Blackwood — all furniture made by Lane, Crawford's—Radio, 1940—Refrigerator, 1940—Chinaware—Silverware by Mappin & Webb—cost owner over $10,000 less than six months ago. Must sell at sacrifice.

Apply 25 Blue Pool Road, Top Floor, from 2—5 p.m.

FOR THE PROTECTION OF CHILDREN

What to do to help a child

Anyone knowing of a child who has been assaulted, neglected, or ill-treated in a manner likely to cause unnecessary suffering or injury to health, or knowing of a parent who is seeking advice on any matter concerning a child, would be doing an act of kindness by communicating at once with—

The Hon. General Secretary, H.K.S.P.C., Old City Hall.
The Inspector, 49, Pokfulam Road, 1st floor.
The Inspector, 82 Stone Nullah Lane, 2nd. Floor.
The Inspector, 12, Sai Yeung Choi St., Kowloon.
The Inspector, 52, Argyle St., Kowloon.

All further steps will be taken, and expenses borne, by the Society.

The Informant's name will be kept strictly private, except in cases where malice is proved.

MILITARY ACTIVITY

Russian Troops Busy On Big Diomede Island

Seattle, July 23.

Officers of the coastguard cutter Perseus said to-day that residents on the American-owned Little Diomede Island, in Bering Strait, had reported sighting on the nearby Russian-owned Big Diomede Island considerable activity, seemingly of a military nature. The residents said that a detachment of Soviet troops was at present constructing a large plane hangar.

They had also sighted a number of submarines at the Russian island.—*United Press.*

HALIFAX PRAISED

World Press Comments On Speech

London, July 23.

Lord Halifax's speech was fully reported and favourably commented on in the New York newspapers to-day. All stressed the point that Lord Halifax rejected Hitler's spurious peace offensive in terms which left no doubt of Britain's determination to carry on until freedom was won.

The *New York Times* said.—"Lord Halifax rejected Hitler's 'appeal to reason' because it came with no suggestion that peace must be based on justice. The important thing to-day is that the courage of the British Empire is unbroken, its spirit strong, its head high. This is an important thing because will power of this kind will prove a terrible weapon in the great battle soon to begin.

"Hitler does not understand the British people, but he is a good enough tactician to know that he faces a formidable foe when, in an hour like this, the British Foreign Secretary can quietly make assertions such as Halifax made yesterday."

The speech is warmly commended throughout New Zealand. The general feeling is well summed up by the *Wellington Evening Post*, which states.—"New Zealand's answer will undoubtedly be to collaborate in the declarations of the rest of the Empire in an emphatic rejection of Hitler's appeal for peace on his own terms.

"It would be difficult to speak too highly of this declaration of faith by Lord Halifax because it carries its own appeal to wider circles of those true Christians who abhor war in any shape or form."—*Reuter.*

Official Reticence

Washington, July 22.

The official spokesman to-day declined to comment on Lord Halifax's speech which, however, is obviously greeted with satisfaction among high Administration circles, who do not believe that the conditions now existing in the world would facilitate a peace satisfactory to the Democracies.

Informed circles are keenly interested in Lord Halifax's repeated references to the United States attitude towards Germany which were interpreted as signifying Britain's great dependence on United States moral sympathy and support.

Lord Halifax's reference to more than one nation beyond the seas who opposed Hitler's philosophy is seen as an attempt to encompass the entire Western Hemisphere in the anti-Nazi campaign.—*United Press.*

Axis Powers Reaction

Berlin, July 23.

An authorised quarter to-day declared that the Halifax speech was for the Germans a final negative answer to Hitler's offer as he had said not on behalf of the British Government.

"To this there is only one answer and it is not with words," it said. "From the German side there is nothing more to discuss. The die is cast."

Other quarters take particular exception to the religious tone of the speech and say that his description of the Nazis as anti-Christ is hypocritical piety.

"He walks with a bible in his hands but behind him stalks the Devil," they declare.

The Rome press attacks Lord Halifax, especially his references to peace with justice which, several papers assert, is Mussolini's own formula for settling European problems. They affirm that no such peace with justice plan has ever been drawn up by England.—*United Press.*

KENYA COFFEE CONTROL

Nairobi, July 23.

The Government has taken over control of the coffee industry.—*Reuter.*

OBITUARY

Sudden Death Of Engineer Of Royal Naval Yard

The death occurred suddenly yesterday of Mr W. H. Redwood, Electrical Station Engineer of the Superintending Electrical Engineer's Staff, Royal Naval Dockyard. Death it is understood was due to heart failure. A particularly poignant feature is that Mr. Redwood's wife and three daughters are in Manila, where they were evacuated with the Services personel three weeks ago.

Mr. Redwood, who was 49 years of age, had a busy and varied career mainly in the Admiralty Service. He served his apprenticeship with Messrs. Tilling Stevens, and held posts at Shotley, Crombie, Sheerness and Rosyth, and was completing his second term of duty at Hongkong. He served with H.M. Forces in the last War.

He was an efficient officer, and ranked highly in his superiors' eyes, while the long hours rendered necessary by the present emergency had been given ungrudgingly.

Closing associated with the Dockyard Recreation Club, Mr. Redwood was an ardent supporter of the Rifle Section. He had a keen sense of humour, and his general good fellowship earned him a large circle of friends.

The funeral will take place at 10 a.m. to-day, leaving the main gate of the Royal Naval Hospital for the Colonial Cemetery, and entering by the Stubbs Rodd gateway.

Mr. Chau Ngan-ting

A large number of friends attended the funeral yesterday of Mr. Chau Ngan-ting, compradore of the Chase Bank, who passed away at his residence, No. 6 On Hing Terrace, on Saturday.

The long procession led by three bands, left the house about 11 a.m. and arrived some two hours later at Yat Pit Ting, Kennedy Town, where the cortege was rested for those present to pay their last respects in the customary Chinese manner of bowing three times before the coffin.

Among those present were Mr. Ip Lan-chuen, Mr. Ho Kom-tong, Mr. Ho Wing, Mr. Tang Shiu-kin, Mr. Mok Kon-sang, Mr. Fung Heung-un, Mr. Wong Ping-sun, Mr. Iu Tak-cheuk, Mr. Kwok Chan, Mr. D. L. Ballantyne, Mr. F. A. Howard, and Dr. T. C. Ip.

Wreaths were sent by the Hon. Mr. R. A. C. North, the Hon. Mr. W. J. Carrie, the Hon. Mr. M. K. Lo, Mr. D. M. Bigger, Mr. D. L. Ballantyne, Mr. F. A. Howard, Mr. W. E. Denison, Mr. Fung Heung-un, Mr. Ip Lan-chuen, Mr. Ho Kom-tong, Mr. Mok Kong-sang, the Chase Bank, and many others.

Late Mrs. P. Gockchin

Followed by over 1,000 people, the remains of the late Mrs. Philip Gockchin were taken to the Chinese Christian Cemetery, Pokfulam, for burial yesterday.

Rev. Lee Kau-yan and Rev. Yung Pak conducted the service at the Cemetery, and the choir of St. Mary's Church, Causeway Bay, sang hymns.

Crossword Puzzle

By LARS MORRIS

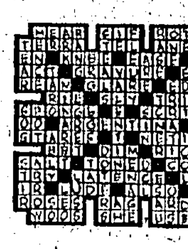
ACROSS

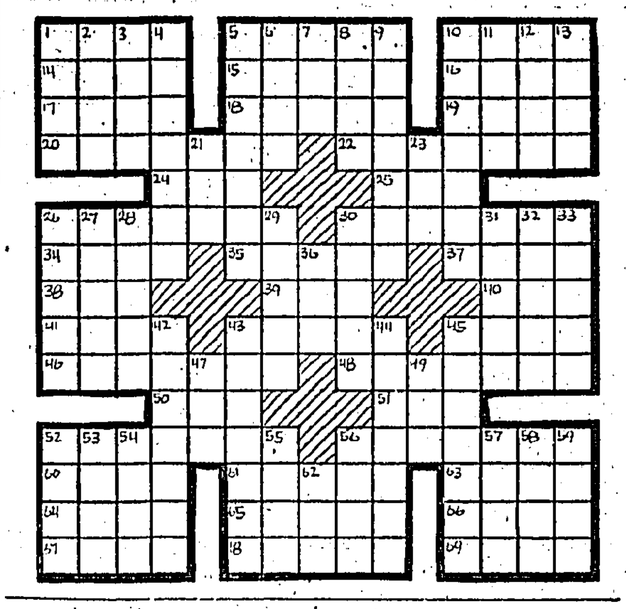
1—Weight (colloquial)
5—Whistling part
10—Roundish lumps
14—Wing-shaped
15—Neat people
16—Date of death
17—Italian coin
18—French capital
19—Greater in number
20—Lad brought up on farm
22—Make critical notes
24—Dance step
25—Opposite to weather side
26—Not as big
30—One who exacts satisfaction for wrong
34—Removes skin of
35—Compactly constructed
37—Dark-skinned foreigner (slang)
38—Organ of sight
39—Parcel of land
40—Syllable used in singing
41—Unaccompanied
43—One who yields
45—Young college woman (slang)
46—Surveyor's instrument
48—Frequented place
50—Deroliy
51—Dimdent
52—Sister of Apollo
56—Believer in Jewish settlement of Palestine
60—Increase size of hole
61—Adiatic carnivore
63—Always
64—Prefix: against
65—Take out
66—East-Indian food
67—Flat, circular plate
68—Bird homes
69—Frozen water

DOWN

1—Fifty percent
2—Charles Lamb
3—Welsh heavyweight boxer
4—Step heavily
5—Nested
6—Palm-leaves used for writing
7—French shooting-match
8—Situated near ear
9—Fixed determination
10—Express favorable opinion of
11—Musical instrument
12—Burden (Scottish)
13—Let it stand
21—Balance (abbr.)
23—Welsh astronomer (died 1926)
26—Wrote letters of, as word
27—Executive head of city
28—Circus ring
29—Are leased again
30—Combining form: star
31—Crocodile-like reptile (pl.)
32—Aquatic bird
33—Avenues
36—Affirmative shake
42—Local disease
43—One owing allegiance to government
44—Speaks from memory
46—Dilident condition
47—Breathish
49—Nickname of Sault Ste. Marie canal
52—County in Roumania
53—Italian painter (died 1449)
54—Makes edging
55—Father
56—Keen enjoyment
57—Russian emperor
58—Lake in Russia
59—Suppose (archaic)
62—Low (French)

ANSWER TO PREVIOUS PUZZLE





POST OFFICE

Small Packet Post to all countries is suspended.

OUTWARD MAIL TIMES

Registered and Parcel Mail are closed 15 minutes earlier than the time given below unless otherwise stated, and where mails are advertised to close at or before 9 a.m. registered and parcel mails are closed at 5 p.m. on the previous day. When mails are advertised to close after 5 p.m., Registered and Parcel mails are closed at 5 p.m.

INWARD MAILS

Australia and Manila July 24.
Canton July 24.
Haiphong July 24.
Shanghai and Amoy July 24.
Canton July 25.
Haiphong and Hoihow July 25.
London and Straits July 25.
Saigon July 25.
Sandakan July 25.
Air Mail by "Imperial Airways Service" July 25.
Bangkok July 26.
Haiphong, Hoihow and Fort Bayard July 26.
Japan July 26.
Manila July 26.
Shanghai July 26.
U.S.A., and Manila—(San Francisco date, 1st July) July 26.
Canton July 27.
Japan and Shanghai July 27.
Shanghai July 27.
Japan and Manila July 28.
Shanghai and Amoy July 28.
Air Mail by "Imperial Airways Service" July 29.
Japan, Shanghai and Formosa July 29.
Air Mail by "Pan American Airways Direct Service"—San Francisco date, 23rd July July 30.
Calcutta and Straits July 30.
Japan July 30.
Japan and Shanghai July 30.
Java and Manila July 30.
Rabaul and Manila July 30.

OUTWARD MAILS

Wednesday, July 24

Straits and Rangoon 1.30 p.m.
Fort Bayard 2.30 p.m.
Shanghai 2.30 p.m.
Manila and Batavia 7.00 p.m.

Thursday, July 25

Shanghai and Parcels only for Tientsin 9.30 a.m.
Sandakan Noon.
Shanghai 12.30 p.m.
Swatow and Parcels only for Tientsin 1 p.m.
Amoy 7.00 p.m.

Friday, July 26

Shanghai 8.30 a.m.
Fort Bayard, Hoihow and Haiphong. 10.00 a.m.
Straits and Calcutta
Parcels, ...July 26, 10.30 a.m.
Letters, ...July 26, 11.30 a.m.
Manila, Australia and New Zealand via Thursday Island.
G. P. O. and K. P. O.
Reg. July 26, 2.45 p.m.
Ord. July 26, 3.30 p.m.
Straits, Ceylon, India, East and South Africa, and United Kingdom
K.P.O.
Parcels 3.00 p.m.
Reg. 5.00 p.m.
Ord. 5.30 p.m.
G.P.O.
Parcels 3.00 p.m.
Reg. 5.00 p.m.
Ord. 7.00 p.m.
U.S.A., C. and S. America, Canada and *United-Kingdom via San Francisco (No Parcels for Canada).
G. P. O. and K. P. O.
Parcels July 26, 5 p.m.
Reg., ...July 27, 0.45 a.m.
Ord., ...July 27, 10.30 a.m.

Saturday, July 27

Shanghai 1 p.m.
Haiphong 2 p.m.
Straits, Rangoon and Calcutta 3.30 p.m.
Air Mail for "Imperial Airways Service" to Durban and thence by Sea Service to United-Kingdom.
G.P.O. & K.P.O.
Reg., ...July 27, 5 p.m.
Ord., ...July 27, 5.30 p.m.
Manila, Australia and New Zealand via Thursday Island
G.P.O. and K.P.O.
Parcels July 27, 5 p.m.
Reg. July 27, 5 p.m.
Ord. July 27, 5.30 p.m.
Canton 5.30 p.m.

Monday, July 29

Amoy and Shanghai. 8.30 a.m.
Haiphong Noon.
Straits, Ceylon, India, E. and South Africa, Lisbon and United-Kingdom.
G. P. O. and K. P. O.
Reg., ...July 29, 2.45 p.m.
Ord., ...July 29, 3.30 p.m.
Canton 7 p.m.

Tuesday, July 30

Manila, Makassar and Sourabaya 8.30 a.m.
Shanghai 12.30 p.m.
Straits, Ceylon, India, Mombasa, Beira, Lourenco Marques, and South Africa via Durban.2.30 p.m.
Air Mail for Manila, Guam, Honolulu, U.S.A., and Europe via "Pan American Airways and Trans-Atlantic Services."
K.P.O.
Reg. July 30, 5 p.m.
Ord. July 30, 5.30 p.m.
G.P.O.
Reg. July 30, 5 p.m.
Ord. July 30, 7 p.m.
Air Mail for Malaya, Java and Australia by the "Imperial Airways Service."
K.P.O.
Reg. July 30, 5 p.m.
Ord. July 30, 5.30 p.m.
G.P.O.
Reg. July 30, 5 p.m.
Ord. July 30, 7 p.m.

Thursday, August 1

Shanghai 1 p.m.
Manila 3.30 p.m.
Manila, Rabaul, Australia and New Zealand via Brisbane.
G.P.O. and K.P.O.
Parcels Aug. 1, 5 p.m.
Reg. Aug. 2, 8.45 a.m.
Ord. Aug. 2, 9.30 a.m.

Friday, August 2

Sandakan 8.30 a.m.
Fort Bayard, Hoihow and Haiphong 10 a.m.
Japan 10.30 a.m.
Madang, Salamaua and Rabaul 3.30 p.m.

*Superscribed Correspondence Only.



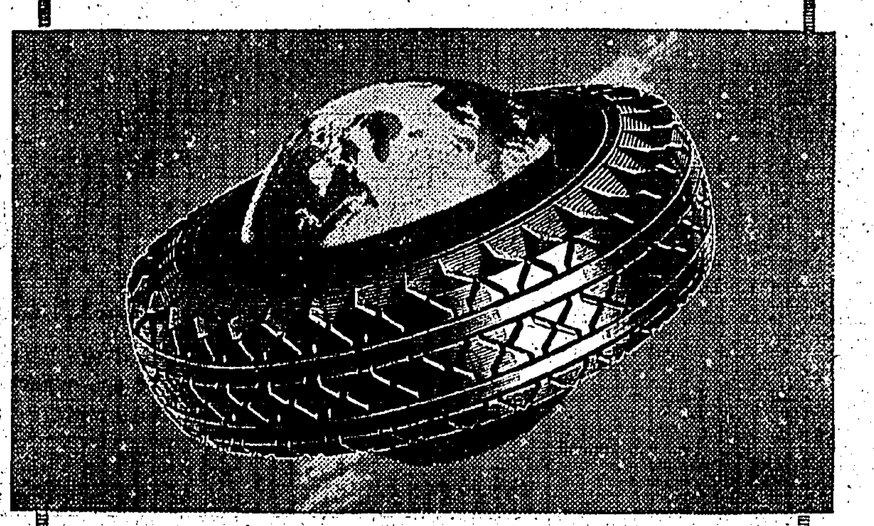
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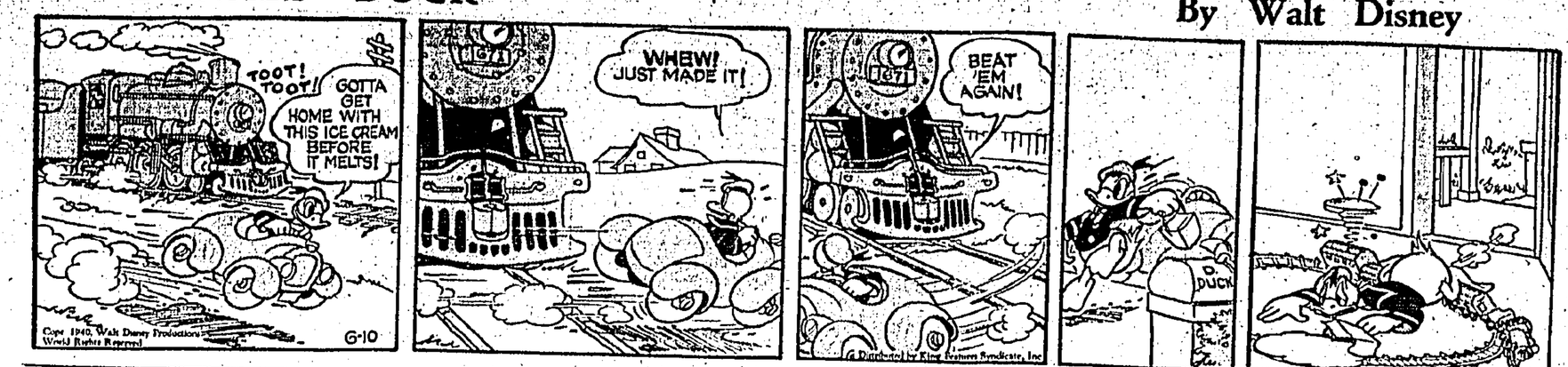
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MAGAZINE PAGE

THE FLY: Telegraph Short Story
Reading Time: 4 minutes

By Estelle Cliffe

"DAMN that noisy fly, I must swat him," said Stanton jumping up to get a newspaper, as a big blowfly blundered on to the window.

"Oh! I don't know," said his companion. "I never kill them, I have a kindly feeling for them. A fly once saved my life."

"Saved your life, you're joking, Wiltshire," said Stanton.

"Joking nothing," said the big detective. Wiltshire held a high position at the "Yard" and had had an adventurous life, as his friend knew.

"Aha! there's a story behind that. Come on, out with it, there's just time for a yarn before my wife comes and hauls me off to a party."

Wiltshire smiled with a far away look in his eyes. "Yes, it's a good story, but an old one now."

Stanton settled himself in his chair, knowing by experience that left to himself the detective would talk freely.

"It's a good many years ago," he began. "I was young in the Service, and mad keen on my job. There had been a series of robberies, all cleverly planned and carried out, big hauls of loot, and the police hadn't a thing to go on.

"The thieves were too clever to leave a scrap of evidence against themselves. I was working under Wetherby—you remember him? A clever chap, but expected a lot from his men. I had caught it hot from him for not getting a line on things. This put me on my mettle, I am afraid I did some rather unorthodox stunts to get information. I came to the conclusion that the whole thing was planned by one brain, and carried out by experts in their own line.

"I won't go into all the details how I got the information, but by hanging about low pubs, hearing a word here and there, and generally putting two and two together, I found out where the gang hung out. Being young and cocky, I determined to get into that house, and not say a word about it till I had proof that I was right.

"Well, I got into it and hid in an empty cupboard. Lord, what a fool I was, I was sure I had been too much for the clever scoundrels. Sure enough, they came in, and I had them under my eye, and what an 'eyeful.'

"They had evidently heard that we were on their trail and were getting out while the going was good.

"There were three men and the boss. A white-faced, white-haired bloke, with pale eyes and no eyelashes. Gave me the shivers to look at him. He was giving directions and had got everything worked out.

"They were all going by different routes to the Continent with passports all in order, ready to show a clean pair of heels.

"As I listened, I cursed myself for not saying at the office where I was going. Nobody knew where I was and I was helpless. The only way out was through that room.

"In my anxiety to see more, I made a rash move and the door rattled. In a moment the man had whipped round with a gun in his hand.

"'Who's in there?' he snarled, 'open the door and come out, before I put a bullet through it.

"There was nothing else to do, so I stepped out as coolly as I could.

"'Well, I'm blessed if it isn't our dear friend from the Yard who has been snooping round. You've come at a very awkward moment, I'm afraid I can't stop to entertain you. Now what shall I do with you? Better not kill, might be a mistake.' His cold eyes glared at me. 'I'll think of something. Hurry up, you fellows.' Here he gave some final direction, as if I was of no further account.

"He suddenly snapped his fingers. 'I've got it, I know how to keep you quiet. Johns, pull that couch up here and get me some rope. Now, my friend,' he turned on me with a snarl. 'Lie down and quick, before I change my mind and put you out for keeps.'

"In a moment I was lying bound on the couch, I smiled to myself, I could easily get out of that tie up. I smiled too soon.

"I watched with surprise as he fetched a bottle and glass. Was I to be doped? Then he found a small piece of cardboard.

"'A neat little plan,' he grinned, 'and worthy of my reputation.' The white face looked devilish as he stopped over me. He placed the card on my chest and poured a full glass from the bottle. It was then I saw the label on that bottle. 'VITRIOL.' God! what was he going to do?

"The thin smile never left his lips. 'Nasty, what? But only if you move,' he explained, as he stood the glass carefully on the card. 'One struggle and that will be over your face. Now, boys, he's fixed, off you go.'

"In a few minutes they were all gone, and I was left to my thoughts. If only I dared move, I could make the scoop of my life. Believe me, Stanton, I funked it. One movement and that awful stuff would spill and land—where? I dared scarcely breathe when I thought of it. It was then I began to notice the buzzing of a big fly about the silent room. The noise got maddening after a bit, as I lay there helpless wondering what would happen, and if I should be discovered! Presently the fly began to hover round as if attracted by something, and finally settled on the glass by my face.

"'Ah! my friend, one sip of that and you're for it,' I said aloud. Taking no notice of me, the fly moved up to the glass in that dawdling way flies have. He'll soon find out his mistake, I thought.

"But no, moving slowly up the glass, he stopped on the rim. Then he began to move down the inside. Then he started to taste the stuff. I expected to see him fall dead. He lapped up the supposed vitriol with every sign of enjoyment.

"It was a minute or two before I realised what it meant, and then I flung myself off that couch in a cold fury. Fooled by that damn crook, a grim fake that might have succeeded in keeping me there indefinitely but for that fly.

"The rest of the story was told in court and, with my information, we rounded up the whole gang.

"I expect you remember the case; anyhow it made my name and I have always had a pally feeling for a fly since then."

The HUSBAND'S FRIEND
No. 2

At tea time when a little nourishment is indicated the egg drinks are in order. Here is a popular swizzle:

1 ounce of gin
white of one egg
juice of half a lime
sugar to taste, ice and shake and serve in tall glass.

Even The Russian Can Raise A Laugh

By A. G. LANDAU

SOVIET RUSSIA is not exactly a cheerful place. The people are too earnest, too much regimented, and too consciously collectivised to allow much for light-hearted frivolity.

It might be a good thing, indeed, if they appointed a Commissar-General for Cheerfulness and Irreverent Jests.

Yet, now and again, there peeps out signs of a somewhat gloomy sense of humour. There are jokes, and they are bandied about like naughty deeds in a good world.

Here are a few of them. Before I relate them, however, let me inform you that my frequent visits to Russia were made to the more sovietised centres. The U.S.S.R. is a very big place, inhabited by many different races and many kinds of people. It would be foolish and dangerous of me to generalise and say that these anecdotes were common to the whole country. Let us proceed.

TO emphasise their loyalty towards Stalin all Russian communities are expected to show at the November festivals some "achievement" of the economic or cultural type, such as a new factory, school, or a workers' club. Such an "achievement" is called a "gift for Stalin." The story goes that a small Siberian township decided to show its loyalty on the cultural line," and it built a crematorium.

The inauguration of this important "gift" was fixed for the first day of the November festivals (the seventh). But as it happened, there were no dead people to be disposed of at this time. The committee, however, was lucky enough to find on the outskirts of the township an old beggar, apparently frozen to death by the early Siberian winter.

The funeral was held with all the ceremony suitable for such an occasion, and the "corpse" was delivered to the flames. Whether the builders of the crematorium had made a mistake, or for some other reason, the fire burnt very slowly. After two hours of waiting the officials decided that it was time to collect the ashes and to make sure, one of them opened the small window to the furnace.

"Shut that window!" shouted an angry voice from inside, "do you want me to catch a cold in the draught?"

INAUGURATING the first Five Year Plan, Stalin proclaimed that his aim was to achieve a much higher standard of living than in any capitalist country. "We shall overtake and outrun them," he announced.

"To overtake and to outrun" ("dognat i peregnat") became a daily slogan.)

"What do you think of 'to overtake and to outrun?'" an old Russian was asked. I don't care for this," was his reply, "my slogan is to live to see and to outlive."

When by the end of 1932 food became scarce in Moscow, and clothing and shoes were not available at all, it happened that because of the good fruit harvest in the south the people in Moscow got fruit instead of bread.

"How do you do?" I said once to a Russian official, who was an acquaintance of mine.

"Oh, splendid," answered he. "The true Paradise has been finally reached. We're going about naked and eating apples."

LET us conclude by the following story:—

The mummy of Lenin was solemnly conveyed to the magnificent "Lenin Mausoleum" on the Red Square in Moscow. A large crowd gathered around to watch the ceremony performed by the highest Soviet officials. One of them remarked an old peasant woman standing in the first row of the crowd and crying bitterly.

Touched by such a devotion of a simple woman, the high commissar approached her and said:

"Don't cry, little mother. Lenin is dead, but his work—communism—lives on!"

"Oh, little father," sobbed the woman, "that's what I'm crying about!"

RADIO

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Recital by Nura Kanis From the Studio

Radio Programme Broadcast by Z. B. W. on a Frequency of 845 k.c's. and on Short Wave from 1-2.15 p.m. and 8-11 p.m. on 9.52 m.c's. per second.

12.15 p.m. Short Service of Intercession.

12.30 Max Bruch—Concerto No. 1 in G Minor, Op. 26.

Master Yehudi Menuhin (Violin) and the London Symphony Orchestra conducted by Sir Landon Ronald.

1.00 Local Time Signal and Weather Report.

1.03 Dance Music by Maurice Winnick and His Orchestra.

1.30 Reuter and Rugby Press, Weather Forecast and Announcements.

1.45 Cicely Courtneidge and Jack Hulbert in Variety.

2.15 Close Down.

6.00 Rachmaninoff — Symphony No. 2 in E Minor, Op. 27.

Eugene Ormandy and the Minneapolis Symphony Orchestra.

6.48 Closing Local Stock Quotations.

6.50 Songs by Beniamino Gigli (Tenor).

7.04 J. H. Squire Celeste Octet and Rose Bampton (Contralto).

A Venetian Barcarolle—Serenade (arr. Willoughby); When I Bring to You Colour'd Toys (from 'Gitanjali'); Memories of Chopin (arr. Willoughby); Light, My Light (from 'Gitanjali'); Operatica (Famous Operatic Melodies).

7.30 London Relay—The News.

8.00 Local Time Signal, Weather Report and Announcements.

8.03 Studio—Farewell Piano Recital by Nura Kanis.

1. Variations on Russian Folk Dance (Beethoven); 2. 1st Arabesque (Debussy); 3. 2nd Arabesque (Debussy); 4. Cordoba (Albeniz).

8.23 Light Orchestral Selections.

8.45 Rossini—William Tell—Ballet Music.

9.00 London Relay—The News.

9.30 London Relay—"Matters of Moment."

9.45 B. B. C. Recording—"Poor Polly."

10.00 "Please Teacher."

Musical Comedy with Bobby Howes and Company.

10.17 Dance Music.

11.00. Close Down.

KEEP THE CHIN UP

Grass Widowers Speak To Manila Wives

A variety of sentiment made up the messages expressed by 40 grass widowers last night over Z.B.W. in a broadcast to wives and families in Manila. The tone of the messages varied from sadness to joy, from practical jokes to serious instructions.

The messages, as personally spoken by the men, included the following statements:

Beer is the same price.
The spaniels are well.
The rabbit is better.

The canaries haven't laid any more eggs.

I am well and very comfortable.

I am looking after Ginger for you.

Hongkong is quiet and dull. I had a smash-up with the Hornsby train on Sunday.

Don't write for too much money as we hear there is to be a further tax on liquid food.

The garden is doing fine.

All the corn is ripe.

Mickey the dog is fit and I take him out as often as I can. Bring back a koala.

It is a long road that has no turning.

Have a good holiday in Sydney.

A hundred men and a girl at the hotel yesterday.

The grass widowers are settling down to household duties.

The golf courses lack their usual number since you left.

The weather became fine one day after you left.

Throughout the broadcast there ran an undertone of sadness, of concern and fondness for those evacuated, and an effort to be casual. All sent general or specific greetings to their wives, children, or Manila citizens who had been most helpful in making the evacuees comfortable. The men unanimously looked forward to the re-union. Practically everyone adjured the family to keep the "chin up."

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REFUGEE CHILDREN

A number of older girls at the King's Park Refugee Camp are busily engaged in making up material into overalls. This is the result of a gift of material, valued at $571.40, from the Kwangtung Refugees Relief Association.

Not only overalls, but also tunics are being made out of the material supplied for the 50 children who were recently transferred to the Camp from the Po Leung Kuk.

These trips to the moon are just MOONSHINE

PROFESSOR A. D. ROSS, of the University of West Australia, has been talking about how one could journey to the moon in a rocket ship. The ship would weigh 5020 tons in all.

But I should imagine that there would be a fairly loud bang when the first rocket went off to lift the 5020 tons. The jolt, too, would probably give you a pain in the neck for the duration of the trip.

The professor adds, as an afterthought, that getting back to earth again presents a serious problem. I suppose you'd just have to jump and risk jarring your ankles when you hit the earth.

Anyone who has actually thought up methods of going to the moon must be in a pretty bad way financially or domestically.

Also it seems that if the rocket missed its mark it may wander aimlessly through space for all eternity.

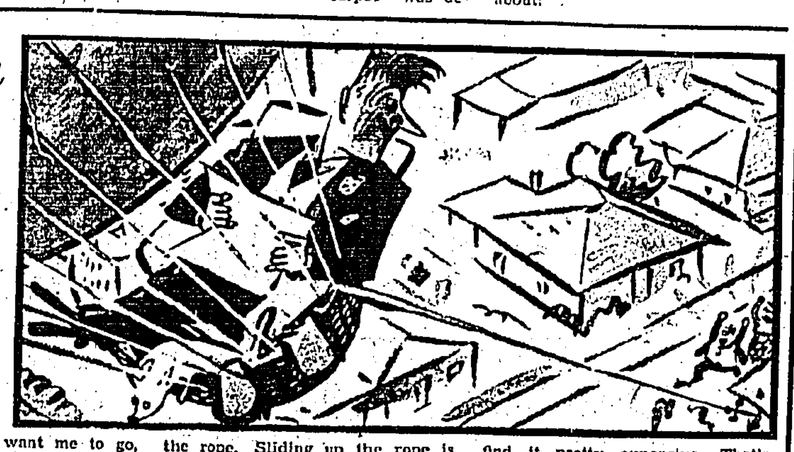
Now that would be monotonous, don't you think? Especially if you had nothing to read.

I don't believe in rocket-ships. By the time you'd lit the fuse the thing would be off, and there you'd be either hanging on to the outside of it or left on the ground. In either case you'd look an awful goat.

Balloons are different. I simply love travelling in balloons. I have not been up lately as my own balloon is slightly perished on one side, but I advise those who can afford it to invest in a balloon.

Being somewhat despondent, I had almost made up my mind to take a trip to the moon.

But on second thoughts I changed my mind. Nothing unusual in that, of course. It was due for it. Anyhow, I have nothing in common with the Man in the Moon.



You can always get back to earth again simply by setting fire to the balloon. In this way it is far superior to a rocket ship.

The last time I went up was in June, if I remember rightly. There was a bit of a row on at home, on account of my bringing visitors home at three o'clock in the morning and starting the pianola and one thing and another.

Some women are most unreasonable!

Anyhow, after a few remarks had been bandied back and forth, I decided that the balloon was the best place.

So I hastily cut a few sandwiches, filled my thermos flask and embarked.

My wife clung madly to the gondola of the balloon, not because she didn't want me to go, but because she hadn't finished what she wanted to say.

I emptied a few bags of sand over her and lightened the weight on the balloon and slowly soared aloft. Birds fluttered about me as I opened my packet of sandwiches.

Meantime I could see the wife below gnashing her teeth and the landlord coming down the street arm-in-arm with the bailiff.

After reaching a height of ten thousand feet I threw out the anchor and stopped for lunch. One has to be careful when anchoring a balloon. Once my anchor caught on the top of a picture theatre and in lugging at the rope to disconnect the anchor, I tore the roof off the theatre. There was quite a lot of trouble about that.

It is always best to have an anchor because, if necessary, one can reach the earth by sliding down the rope. Sliding up the rope is somewhat more difficult.

I hear a remark from the back of the hall about the rarefied air at great altitudes. Well, this has never worried me in my ascents. Anyone who can stand the atmosphere in the smokeroom of my club can stand anything.

The only trouble about my balloon is that there is so little space. For instance, in the basket attached to my balloon there is no room for a billiard-table. Still, one gets used to such hardships after a time.

By the way, I forgot to mention that apart from the five thousand and twenty tons weight of Professor Ross' rocket ship it would be necessary to carry four thousand four hundred and sixty tons of liquid oxygen and hydrogen as fuel.

It would seem that future travellers to the moon are going to find it pretty expensive. That's why I'm all for balloons.

Mind you, the upkeep of a balloon is something to reckon with. You've got to tear a hole in it in order to get it down and then it comes down with such a terrific smash that it's hardly recognisable.

Not only that, but you get your clothes dirty on landing, and have to disentangle yourself from ropes and things.

It will be seen that I am not rabidly intense on balloons and, so far as I'm concerned, you can travel in trams for the rest of your life.

I don't want to rush you into buying a balloon just to have you come wingeing and complaining to me about it later.

I just want to warn you off rocket ships.

Don't touch them! Their trade-in value is negligible. Buy a bicycle!



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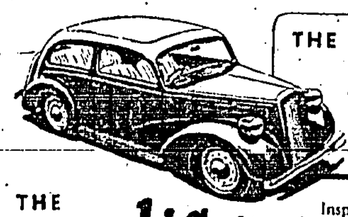
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DEATH

MARQUES.—Francisco Luiz Marques a retired clerk of Union Insurance Society of Canton died early this morning at Canossa Hospital. The funeral will pass the Monument at 5.30 this evening.

The Hongkong Telegraph.

Wednesday, July 24, 1940.

Wyndham St., Hongkong
Telephone: 26615

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Workers Behind The Guns

The attitude with which all the working classes in Great Britain are throwing themselves into the war presents a striking contrast with that of many of them between 1914 and 1918. Then, among large sections of the workers, there were doubts and misgivings, and fears of exploitation. To-day there is overwhelming evidence of the conviction that this fight is their fight, and that everything for which organised labour has stood throughout its history is at stake.

More than that, they understand that the struggle is not only for their own rights and liberties, but also for that kind of internationalism which has peculiarly appealed to the British labour movement. Mr. Ernest Bevin, the powerful trade unionist who is now Minister of Labour, made his first appeal as a member of the Government to his old comrades on grounds larger than national grounds. "I am an internationalist," he said, adding that one reason why he as a trade unionist took office was because the labour movement was being internationally destroyed and its members on the Continent were being imprisoned and tortured.

In Britain it is no small thing that a trusted trade-union leader should ask his followers to discard the narrower conception of trade unionism. In the last war there were endless disputes about the dilution of labour and the restrictive rules established by collective bargaining; there were strikes and threats of strikes which gravely hampered output. There are no signs of such reluctance to press on with the industrial speed-up to-day. All appear conscious that there are heavy arrears to be made up, that there is not a moment to lose, and that this is a war in which speed on the fighting front depends on speed in the factories.

This is what the War is costing

THIS war is a very expensive business, much more expensive than the last. Between 1914 and 1918 the cost of the Army worked out at about £340 per man per annum, whereas each man in the Army of to-day costs the nation on the average £600 per annum.

The Navy, Army, Air Force and Ministry of Supply are spending at the daily rate of nearly £4 millions. Almost another million a day is being spent on Air Raid Precautions, evacuation, shipping and the stabilization of food prices.

The whole of the war expenditure is therefore close on £5 millions a day, out of a total Government expenditure of between £6,500,000 and £7,000,000 a day.

Already then, when we are still only half-way through the first year of the war, we are spending at the rate of nearly £2,500 millions a year—and this when the war in the air has hardly begun. Before the end of the war's first year we may be spending £8 millions a day, which is at the rate of nearly £3,000 millions a year; if the war continues, expenditure may rise to £9 millions a day or £3,285 millions a year, or even £10 millions a day, when the truly terrific figure of £3,650 millions a year would be reached.

So much for expenditure; what of the receipts? The Chancellor of the Exchequer has estimated that in the year 1939-40 he will receive £995 millions, and in the financial year 1940-1941 he may, if he is lucky, receive as much as £1,250 millions. Expenditure, on the other hand, is likely to reach at least £3,200 millions. Between the two there is a difference of £1,950 millions—say, £2,000 millions. How is the gap to be closed?

Increased taxation is the first resort which will spring to mind, and the increases would have to be borne by every class in the community except perhaps the very poorest, for even if all incomes over £2,000 a year were completely confiscated the national revenue would be increased by only about £60 millions a year.

If the standard rate of income tax were raised from 7s. 6d. to 10s. in the pound, excess profits tax were made to yield its last pound, "fancy taxes" of one kind and another were imposed, and indirect taxation stiffened the estimated revenue might reach a figure of £1,750 millions, i.e. a further £500 millions a year. There would still be a gap of £1,500 millions per annum, and this gap could be closed only by borrowing of one kind or another.

At the outbreak of war it was estimated that the gross savings of the community cannot have exceeded about £750 millions a year at the most, and this figure included amounts necessarily set aside for the depreciation of existing capital.

As the nation's war effort expands, the growth of employment and the increased sums paid in wages must increase the nation's savings, and the National Savings campaign will no doubt lead to the saving of huge sums which would otherwise have been frittered away. In the first hundred days of the National Savings campaign the public subscribed, through the medium of War Savings Certificates and 3 per cent War Bonds, to the extent of £100 millions, and perhaps this rate of progress may be maintained or even increased.

8/6 IN THE £ Income Tax

But it is difficult to believe that the additional amount which can be secured from genuine savings will be more than £750 millions a year—in other words, £1,500 millions a year is the maximum that may be received from savings.

Thus we now have a total of Government receipts of £3,250 millions, made up of £1,750 millions from taxation and £1,500 millions from borrowing—about what the war is expected to cost during the coming year. If the war develops in the air, then its cost will be tremendously increased—as suggested above, it may approach a figure of £4,000 millions a year—and so there will develop an ever-widening gap. When the war is at its height this gap might amount to between £500 millions and £1,000 millions a year.

How will this fresh gap be closed? Judging from the experience of the last war, by a borrowing which will be, in effect, hardly distinguishable, if at all, from inflation.

If in wartime, as the "Economist" very clearly puts it, for every pound that the Government spends some private individual (or institution) has forgone the expenditure of a pound which he would otherwise have spent, then there is no inflation, no matter whether the private individual devoted the pound he did not spend to the payment of taxes, to subscription to war loan, or merely to the increase of his cash reserves.

But if the Government expenditure on the war increases without a corresponding reduction in the expenditure of the public, then there is inflation—if, for instance, the citizen subscribes to war loan, not out of cash set free by the limitation of his expenditure but out of advances made to him by his banker for the purpose and possibly on the security of the loan to which he is subscribing.

This is the method of increasing subscriptions to war loans which was adopted in the last war, and it may well be that circumstances will compel its adoption in the course of this struggle if it should continue more than a year or two.

FUNNY SIDE UP By Abner Dean



"I think the one with the brown eyes is the cutest!"

Continuing... OF MICE AND MEN

By John STEINBECK

ON Saturday night the boys went into town to tour the saloons and the outlying roadhouses. George went along, but only as an onlooker.

A drink of whiskey cost fifteen cents; and George was obsessed with the thought of how much good planting seed for the little truck garden on his and Lennie's place could be bought for fifteen cents.

So George returned to the ranch early—yet none too soon. Lennie, as usual, was doing the wrong thing.

Not only did he wander out to the barn and visit the forbidden premises of old Crooks, the coloured stable buck; worse, he betrayed the secret of their dream place to Crooks, abetted by Candy.

While George was ordering Lennie and Candy back to the bunkhouse, Mae, adrift as usual on Saturday night while her husband was in town on a drunk, entered the barn.

They tried to drive her away; but Mae, stubbornly bent on finding out what had really happened to Curley's hand, ignored their insults and closely questioned one after the other about Curley. Then she noticed the bruises on Lennie's face.

"So—it was you," she said softly. "Well, maybe you're dumb like they say—and maybe you're the only guy on the ranch with nerve. You're a nice fella!"

George would have struck her then and there for "messin' around" with Lennie, had not old man Jackson passed by and ordered them all out of the barn.

When Curley returned home, late Sunday morning, from his all-night drunk, his father told him about Mae's nocturnal visit to the barn. Curley rushed upstairs to administer one of his frequent beatings; but she turned on him in hysterical fury.

"Who bust your han', Curley?" she screamed, laughing wildly. "Who bust your han'?"

"I tole you I caught it in a machine."

"Yeah. I seen that machine last night. Why didn't you tell your old man so he could can them fellers? I'll tell ya why—'cause if ya talked, they'd talk too. An you were afraid you'd get the horse laugh—like I'm givin' ya now!"

Curley's anger turned to cold fury. "I ain't even gonna slug ya. I'm just gonna pack your junk. You're gettin' outa here. You and me are through."

* * *

THE Sunday afternoon horseshoe pitching contest was in full swing. But Lennie did not hear the excited shouts and the occasional clang of a horseshoe against the spike that sounded from outside the barn. For great sorrow had come to Lennie. His pup was dead.

While he sat in the straw, looking dumbly at the little lifeless form in his hands, Mae stealthily crept into the barn. At first she was unaware of Lennie's presence; she had come in, dressed in her best dress and carrying her cheap patent leather suitcase, to find her puppy.

"I was clear through the ranch gate, but I remembered—you foolish little face—you're comin' with me."

When she heard Lennie begin to sob, she went over to him.

"Your puppy! He's dead!"

"He was so lil'," whimpered Lennie. "I was jus' playin' with him an' he made, like he was goin' to bite me an' I made like I was goin' to smack him—an' then he was dead."

"Don't you worry none. He was just a mutt. You can get another one easy. The whole country's full of mutts."

"It ain't that so much. George ain't gonna let me tend no rabbits, now."

Lennie suddenly remembered that Mae was a "pack o' trouble", and that he was forbidden to talk to her. He made as if to go, but she blocked his path.

She spoke to him soothingly. He needn't worry about being found talking to her.

The horseshoe tournament would last all afternoon, and no one would leave it until it was over.

AT last Mae had some one to talk to, and to the uncomprehending, scarcely listening Lennie she poured out her life's story; how her father had been a drunken sign painter who was "put away" when she was a child; how she had wanted to go into the movies.

But Lennie kept returning to his own woe. "Maybe if I took this here pup an' throwed him away," he muttered, "George wouldn't never know. Then maybe I could tend the rabbits."

"What makes you so goofy about rabbits?" she demanded.

"I like to pet nice things. Once at a fair I seen some of them long hair rabbits. And they was nice, you bet. I like to pet nice, soft things. Like velvet."

"I think you're goofy," she giggled. "But you're a kinda nice fella. And a person can kinda see what you mean. Sometime when I'm doin' my hair I jus' set there an' stroke it because it's so soft. Feel there an' see how soft it is, Lennie. Don't you muss it up, now."

* * *

LENNIE gently, happily, stroked her hair. "Oh, that's nice."

He continued passing his fingers over her hair, gradually stroking it harder and harder, then passing his fingers through it. She jerked her head sideways, shouting "Look out, now! You'll muss it!"

Frightened by her sudden scream, he tightened his fingers convulsively on her hair and clung to it. She screamed again.

"Please don't holler," implored Lennie, still hanging on. "George will be mad."

Mae scrambled to her feet, and Lennie stood up with her. "Let go! You let go!" she screamed.

In wild panic, he clamped his big hand over her mouth and held it a moment. When he released her she screamed again, and again he covered her mouth, holding her tighter and tighter, shaking her a little. She struggled fiercely, kicking off one of her slippers. Then her frightened eyes suddenly became calm. Lennie released her, his fingers still entwined in her hair, and smiled with relief.

"That's right. Don't yell no more. I don't want to hurt you."

She stood facing him for another second, her eyes dull, her mouth open. Then she slumped to the floor.

(To be concluded)

BUDGET PLACIDLY RECEIVED

No Surprises, Little Criticism

LONDON, July 23 (Reuter).—No Chancellor of the Exchequer ever had a more placid assembly to address than that faced by Sir Kingsley Wood this afternoon, states "Reuter's" lobby correspondent.

There was no excitement before or during the speech. Members had simply assembled to hear what was necessary for the nation's unalterable purpose—to win the war.

The "Get your money ready" with which Sir Kingsley Wood was greeted when he began provided the keynote to the reception of the speech.

Ready For Anything

Members were ready for anything and were not going to make a fuss about it.

After the speech there were three comments. Firstly, that it was not as bad as expected; secondly, that it was pretty grim; thirdly, it was not sufficiently comprehensive.

The last criticism was heard after Sir John Simon's last budget, but Sir Kingsley Wood made it clear that this was merely an interim statement. He did not even attempt to strike a balance sheet. He simply presented his proposals and then said in effect: "It is as much as we can ask for at the moment. I shall be back later. Meanwhile save and give to the State."

Taken as a whole the proposals had a good reception. Everyone expected an increase in income tax and there was some relief that the proposal to increase the standard rate to 8/6d. was not more.

Increases in beer and tobacco were also expected. Some Members felt that more money could have been raised by lowering the income tax limits still further and by making the rate of 16s. in the £ apply to much lower incomes than those in excess of £20,000 a year.

Indian Army Growing

Thousands Of Recruits Rush To Join Up

SIMLA, July 23 (Reuter).—Thousands of recruits are enrolling as the advance guard of the "First Hundred Thousand" who, as the Commander-in-Chief, Sir Robert Cassels announced last May, will represent the response of India to the growing totalitarian menace to her security.

New formations comprise motorised and armoured units, infantry, artillery and specialised troops, besides quadrupling Indian aviation.

The increase is only the initial step, but it is noted that it represents an addition of several divisions to the field army, besides an increase in other formations.

AMAZING ALLEGATION

FROM PAGE ONE

we have not given the Australian Government detailed information regarding the number of persons proceeding to Australia and the date of their departure that is true.

"We cannot give such detailed information until we know ourselves.

"The information will be sent to Australia before the ships leave Hongkong and Manila, thus giving the Australian Government two to three weeks to prepare for the reception of the evacuees."

Manila Complaints

Mr. North was asked if he has seen the report published this morning regarding the bitter complaints that have been received by husbands of certain evacuees.

"I have not yet seen the report in question," he said.

The "Telegraph" understands that serious allegations regarding the conditions suffered by some of the evacuated wives and children have been made in a letter forwarded by a group of Hongkong residents to the Hon. Attorney General.

The people in question are understood to be demanding the return of their families to Hongkong.

Serious allegations of racial discrimination are made.

It is understood that one or two of the husbands concerned have sought legal advice.

DESTROYING NAZI SINEWS

FROM PAGE ONE

were among objects attacked by Bomber Command aircraft last night.

Forces of our aircraft bombed aerodromes in northern France, Holland and Germany.

Two of our aircraft are missing.

Docks and petrol stores at Amsterdam and a barge concentration southwest of the Helder dock basin west of Ijmuiden, and shipping in Dunkirk harbour were attacked by aircraft of the Coastal Command during the night.

All these machines returned safely.

An enemy bomber was shot down by R.A.F. fighters near the northeast coast of Scotland during the afternoon.

BRITAIN'S RECORD BUDGET

FROM PAGE ONE

000. In the present circumstances I must ask for further contribution from the direct tax-payer and I believe he will readily respond (Laughter and Cheers).

"I propose to increase the standard rate of income tax for the whole of the current year to 8s. 6d. and with this increase, I propose to alter the rate on the tax that is charged on the first £100 on a tax-payer's income. The rate chargeable in this zone of income is at present half the standard rate and with the increase of the standard rate to 8s. 6d. the reduced rate should automatically rise to four shillings and three pence.

"I propose that this reduced rate should be increased to five shillings in the pound.

"Increase in income tax would produce in a full year £64,000,000 and in this year £60,000,000."

Surtax Increases

The Chancellor announced increases in the scales of surtax under which the rate of the first slice of income in excess of £2,000 would be increased from 1s. 3d. to 2s. in the pound would come into force in respect of incomes in excess of £20,000 instead of £30,000 as at present.

This increase was estimated to produce £11,000,000 in a full year and £6,000,000 in this year.

On incomes in excess of £20,000 a year, the State would take nine-tenths of every pound.

The result of the increase of income tax and surtax would be £639,000,000 for a full year compared with £290,000,000 which was produced five years ago.

Sir Kingsley Wood announced a further increase of 10 per cent. on estate duty which would produce about £6,000,000 in a full year and £1,000,000 in the current year.

Difficult Task

Remarking that the task of finding enough money to pay income tax in two six-monthly instalments was becoming increasingly difficult, the Chancellor announced an extension of the principle of deduction at the source to the whole range of salary and wage earners from the manual labourer to the company director.

The Chancellor believed that the only satisfactory and workable method of collecting income tax was deduction at the source month by month and week by week. We appealed to employers to give their co-operation in this task.

The Chancellor then announced an increase in beer duty of a penny per pint with an additional yield of £13,000,000.

Tobacco duty would also be increased by a further two shillings per pound, representing an additional yield of £9,000,000 for a full year and £6,000,000 for this. The stabilised preference on Empire tobacco would be maintained.

Wines also must contribute as from to-morrow, added the Chancellor. The increase on light wine would be two shillings and a penny per gallon and on heavy wines four shillings, making duty on light wines 8s. per gallon and on heavy wine 16s. per gallon.

Preference for wines from the Dominions and colonies would be maintained.

Duty on entertainment would also be increased to produce an estimated additional revenue of £4,000,000 in a full year.

The Net Result

These proposals in the sphere of direct and indirect taxation as a whole would give him £86,000,000 in the current year and £129,000,000 in a full year.

The Chancellor indicated that the purchase tax as now outlined would involve a reduction in the amount the Exchequer would receive under the original proposals. The Exchequer would secure a substantial sum in a full year of approximately £110,000,000.

The present Budget would thus provide in a full year a further sum of £239,000,000.

The April Budget imposed new charges of £128,000,000, making in all an additional sum of £367,000,000 imposed in the last three months, excluding £40,000,000 in connection with excess profit tax.

War Savings

Remarking that already over £300,000,000 had been raised on the three per cent. war bonds, £250,000,000 on the sale of saving certificates and defence bonds, and £110,000,000 by the 2½ per cent. war bonds, the Chancellor said that the success of these saving efforts led him to believe that the task of filling the gap between expenditure and revenue was by no means unmanageable. The financial problems that faced the country were undoubtedly many and difficult, but they could have full confidence that they were by no means unsurmountable.

"We have many resources and on our determination and capacity to use them to our utmost, there can be no doubt. As in the field of war, so in the vital areas of national finance, we are determined to continue on our course unceasingly and at any sacrifice until victory has been achieved." (Loud Cheers).

Opposition Agreement

Speaking for the Labour Party, Mr. H. Lees-Smith said he took the increased expenditure as an example of increased vigour in administration and increase in the production of war machines.

He added: "The Nazi system produces poor human quality. When our production of machines is so developed that we can meet the Nazi power man to man on equal terms, then this war will begin to be won.

"I believe the Chancellor can carry the limits of taxation to the limit of human endurance. Never has any country had such a responsibility as rests upon us in the next few months. I believe the country is willing to rise to that responsibility and accept a self-sacrifice it did not even contemplate a few months ago."

Sir Percy Harris agreed that the country was ready to bear any burden to secure victory, for, he said, the alternative meant bondage.

Conscription In U.S.A. Step Nearer

WASHINGTON, July 23 (Reuter).—A bill providing for compulsory military training has been approved by the Senate Military Committee.

The bill requires the registration of 42,000,000 men between the ages of 18 and 64. It is expected to reach the Senate next week.

A War Department spokesman said the system proposed under the Bill contemplated the actual training of about 1,500,000 men between the ages of 21 and 30 during the first year.

Won't Become Nazi Puppet

Norwegian Govt. Supports King

LONDON, July 23 (Reuter).—A letter from the Norwegian Government in England, signed by the Prime Minister, M. Nygaardsvold, has been sent to the Presidential Board of the Storting in Norway with regard to plans to dethrone the King of Norway, remove the Norwegian Government, and establish in Norway a "State Council" under German control, which was recently discussed in Norway.

The letter says that the Government entirely agreed with the views expressed in the letter of King Haakon to the Board on July 3, declaring that the Storting, summoned during the occupation of Norway by foreign military forces, could not truly represent the will of the Norwegian people, and that it was an illusion to think that peace would be gained for the country by creating a government which collaborates with Germany.

The Negus At Khartoum

On Hand For Expected Ethiopian Revolt

CAIRO, July 23 (Reuter).—The British Government has placed a house in Khartoum at the disposal of Haile Selassie.

It is stated that the Emperor realises that the time is not yet ripe for him to enter Abyssinia, but he has expressed the strongest desire to be in the vicinity of his country in order to move instantly when a suitable occasion arises and to give immediate help to his people.

Ready To Revolt

The approaching rainy season in Abyssinia is likely to be dangerous for the Italians. Their military operations will be restricted, and with the prospect of liberation and the knowledge that their Emperor is close at hand, the tribesmen will lose no opportunity of extending the revolt which has already broken out in a number of districts.

HOMESIDE EVACUATION

FROM PAGE ONE

ment. The Government could not spare naval vessels and were determined not to risk sending children without convoys. The situation might change and every opportunity was being watched.

May Offer U.S. Ships

LONDON, July 23 (Reuter).—Mr. Sol Bloom, Chairman of the House of Representatives Foreign Affairs Committee said yesterday that in connection with the proposed amendment of the United States Neutrality Bill which would allow British children to cross the Atlantic, in American ships, he believed that the proposal will have the approval of the State Department.

He is not sure whether or not it was advisable for the United States to take the risk, but if Germany and Italy would guarantee the safe passage of the ships carrying only refugee children, their guardians and their mothers, the United States might be willing to take a chance.

Revision Of Loose Talk Offences

LONDON, July 23 (Reuter).—Mr. Winston Churchill, making a statement on "silent columns", said in the House of Commons that he had asked the Home Secretary to have every sentence imposed by Courts for loose and defeatist talk carefully and immediately reviewed.

Mr. Churchill also stated that he had asked the Home Secretary to see that these sentences should be reduced or remitted wherever it was clear that there was no evil wish or systematic purpose to weaken the national defence effort by the persons concerned.

THE WAR FUND

The War Fund inaugurated by the S. C. M. Post, Ltd., totalled $1,205,076.15 yesterday.

HEROES OF THE AIR

Decorations For Many Gallant Fliers

LONDON, July 23 (Reuter).—Two Distinguished Service Orders, 20 Distinguished Flying Crosses and 14 Distinguished Flying Medals are among the Air Force awards for gallantry and devotion to duty announced in the "London Gazette" to-night.

The Distinguished Service Orders are awarded to Squadron Leader James Kenneth Montague Drysdale and Flight Lieutenant David Christopher Yorke.

Brilliant Exploit

It is also announced that the Distinguished Flying Cross is awarded to Pilot Officer John Fraser Drummond, who, during operations in Norway, shot down two enemy aircraft and seriously damaged a further three.

On one occasion as pilot of one of two Hurricanes which attacked four Heinkel III's, he damaged one enemy aircraft and then engaged two others. He pressed home his attack despite heavy return fire, silenced the rear guns of both aircraft and compelled the Heinkels to break off the engagement.

New Zealanders Join Up Fast

WELLINGTON, July 23 (Reuter).—Enlistments in the New Zealand Expeditionary Force up to the close of the voluntary recruiting system yesterday totalled 59,644.

Mr. Jones, Minister of Defence, in announcing this, expressed the opinion that all would agree that the result was satisfactory.

Recruiting was accelerated during the closing stages of the voluntary system, the last day being a record.

Men are now available to provide the fourth and fifth contingents with reinforcements.

STOCK EXCHANGE HOLDS FIRM

LONDON, July 23 (Reuter).—The Stock Exchange to-day was very firm despite the imminence of the Budget.

Gold-mining holdings continued to attract active buyers while home rails initially advanced but later reacted partially on profit-taking.

An early hesitancy in gilt-edged securities gave place to strength.

Industrials were firm, the leaders occasionally advancing.

A quiet demand carried some oil stocks higher.

Wall Street was steady.

Reorganisation Of Allied Forces

LONDON, July 23 (Reuter).—In the House of Commons to-day, Mr. Anthony Eden, Secretary for War, stated that French, Polish, Czech, Dutch and Norwegian units were in the progress of re-organisation in Britain.

The Government greatly valued the aid these units would be able to give.

Steps were being taken to decide which of the men now interned could be discharged for enlistment in special companies of the Auxiliary Pioneer Corps.

Another 1,300,000 Ready For Nazis

LONDON, July 23 (Reuter).—In the House of Commons to-day, Mr. Anthony Eden, the Secretary for War, stated that the Local Defence Volunteers, hereafter to be called Home Guards, now exceeded 1,300,000 (Cheers).

Therefore it had been decided temporarily to suspend recruiting in the near future except in those districts where the strengths have not yet met immediate requirements.

CANADA'S WAR MACHINE

HALIFAX, July 23 (Reuter).—"Canada's war machine is going at full steam," declared Mr. Ralston, the Canadian Minister for Defence at a press conference to-day.

Mr. Ralston added that the response to the Canadian recruiting was even beyond expectations and the response by Canadians generally to the war effort was unstinted.

Provisional Czech Govt. Formed

LONDON, July 23 (Reuter).—In the House of Commons to-day, Mr. Winston Churchill announced that after negotiations between Lord Halifax and Dr. Benes on behalf of the Czecho-Slovakia National Committee, the British Government had decided to recognise the Committee, with certain additions, as the Provisional Czecho-Slovak Government.

COMMUNIQUE ON DESERT WAR

CAIRO, July 23 (Reuter).—To-day's war communique states that on the evening of July 20 a patrol of the King's African Rifles intercepted and turned back a strong body of the enemy at Ajao, 50 miles southeast of Moyale.

On other fronts nothing of importance happened.

GUNNER ON TRIAL

Tried To Hit Officer, Says Court

A District Court Martial assembled at Stanley Barracks yesterday for the trial of Gunners E. E. Milsom and W. H. Davis on charges arising from an incident in the bar of the Peninsula Hotel on July 7 and their removal by Military Police to Nanking Barracks, Shamshuipo.

Major L. J. C. Loch, Kumaon Rifles, was President of the Court and the other members were Capt. W. H. Beaman, R.A., and Lieut. B. G. W. Yeatman, R.A. The Prosecuting Officer was Lieut. P. J. T. Skipwith, R.A., and the Defending Officer Capt. D. R. G. M. Graham, R.A.

The case against Milsom was taken first and lasted the whole day, Davis being removed from the Court.

Milsom was charged with, while on active service, using insubordinate language towards a superior Officer, Flt.-Lieut. McGovern, and attempting to strike him. There were three other charges of using insubordinate language towards superior officers. He pleaded not guilty.

Flt.-Lieut. McGovern said at 11.20 p.m. on July 7 in the bar of the Peninsula Hotel Milsom and Davis approached him and Davis said,—"Excuse me, Sir, we have ordered drinks and find we are unable to pay for them." He signed the chit for their drinks, joined a friend, and remarked to them that it was always advisable to check on their finances before they ordered drinks.

Flt. Lt. McGovern continued that the accused then became generally abusive to everybody in the bar and he sent for the Military Police. As the accused were being escorted away Milsom used bad language at him and attempted to strike him but was restrained by the Police.

Officer Cross-Examined

Cross-examined by Capt. Graham Flt. Lt. McGovern said he considered it his duty to pay for drinks or sign a chit for drinks ordered by servicemen who were unable to pay for them. He also considered it his duty to give the accused a lecture on not having money to pay.

Capt. Graham.—If you had not advised them they would not now be in Court?—Perhaps not.

Is it not the duty of an officer to avoid a man, drunk or obstreperous, whom, it is intended to arrest?—Yes.

Why then did you not avoid them as they were being marched out.—I would either have had to leave the bar through the entrance to the arcade, when I would have passed them, or out of the bar altogether by the Middle Road door.

Would not either of these courses have been better than putting the accused into further trouble?—No.

Capt. Graham submitted he had no case to answer. The Court overruled the submission after considering it within closed doors.

L/Cpl. G. Thomson, of the Military Police, said Flt.-Lieut. McGovern asked him to arrest the men. When he asked them to get properly dressed and finish their drinks they started to swear and use obscene language.

As he was escorting them past Flt.-Lieut. McGovern, Milsom raised his fist to strike him and he had to be forcibly restrained. On the way to Nanking Barracks by bus, accused continued to use obscene language.

Other witnesses stated that accused used obscene language in the charge room at Nanking Barracks and kept shouting in the cell until 3 a.m.

Civilian Witness

Mr. W. J. Mills, Sub-manager of the Peninsula Hotel, who was called by the defence, said he considered accused had been drinking.

Capt. Graham.—Between 10.30 p.m. and midnight had there been any one seriously under the influence of liquor in the public bar?—No.

Did accused by his actions appear to be under the influence of liquor?—No.

Capt. Graham submitted that the witness was hostile. The Court overruled the objection.

Cross-examined by Lt. Skipwith, Mr. Mills said he heard the accused use offensive remarks. He was present when the Police escorted him from of the bar but did not hear him use offensive words then. He did not see any actions leading him to believe that accused was about to strike Flt.-Lieut. McGovern. The hearing was adjourned.

The King Receives Mr. Churchill

LONDON, July 23 (Reuter).—His Majesty the King received Mr. Winston Churchill in audience at Buckingham Palace for half an hour to-night.

Air Chief Marshal Sir Cyril Newall, Chief of Air Staff, was also received in audience.

TRAWLER SUNK

LONDON, July 23 (Reuter).—The Admiralty announces that His Majesty's trawler Campina was sunk by enemy mine. Three survivors were landed safely but it is feared that the Commanding Officer and ten ratings have lost their lives.

RAMSAY STAYS IN GAOL

London, July 23.

Sir John Anderson, Minister for Home Security, announced in the Commons to-day that an Advisory Committee had considered the case of Captain Ramsay, the Commons member who was arrested under the emergency regulations, and had recommended his continued detention.—*Reuter.*

ANKLE SOCKS

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Around The Courses

DISAPPOINTMENT FOR SARAZEN

Ferrier Making Ground In America: Lawson Little—Hard And Uncompromising

(By "Birdie")

THE RESULT of the match between the U.S. Ryder Cup team and Sarazen's selections came through last Friday, and it was one that must have been a surprise to Sarazen. Though his vaunted team was only just beaten—7 and 5—yet beaten they were, and details of the match should be highly interesting. These, however, are not yet at hand, and I doubt if they will be for at least another two weeks.

Sarazen, himself, went down badly to Henry Picard in the singles, being beaten 8 and 7, and Lawson Little, the new Open champion, went under to Horton Smith 4 and 3. Though it may not be expected among the professional ranks, yet golf is a game that has more fluctuations of form than any other. There are so many little things that can turn the scales.

However, we will leave that until more detailed reports arrive. Meanwhile, the second interesting item of news from America was the result of the Chicago Open. Dick Metz was first and Johnnie Revolta second. Actually, the cable was somewhat mutilated and there was a second name that tied with Revolta with a score of 279, but it couldn't be worked out. The cable read "Hotean"—whoever that is! Can it be Ben "Hogan"

It probably is. In morse code, "t" is a dash, "e" is a dot, and "g" is dash-dash-dot. Omit the middle dash in "g" and it might sound like dash-pause-dot, which is "te". Q.E.D.

It is also interesting to see that Jim Ferrier was placed third, or rather fourth with the tie for second place. It indicates that he is at last getting into his stride "over there." One doesn't, of course, know what the "field" was like, but it seems that he has overcome playing conditions, which, a little while ago, Ferrier admitted were bothering him.

* * *

WHEN Lawson Little captured the American Open title it must have rankled in the hearts of many golfers, if there is anything to be attached to the writing of one of his reporter-friends.

Since he turned professional, four years ago, writes this friend, Lawson Little has been more unpopular than any golfer of the lot. Consolation he received after bad rounds was hollow, almost as hollow as the congratulations that followed the good.

The resentment of his fellow-pros was as understandable as it was unpardonable. Little turned professional after a tremendous amateur record. In publicity and praise he had outdone by far the men who were playing the game for a living. Twice winner of the British and American amateur title, he entered the professional ranks with a name more celebrated than any of the pros.

They looked on him as a menace and something to stamp out. Unfortunately, Little helped them to wrap him in ice. He was formal and aloof. Pros scarcely gave him a nod, and he scarcely acknowledged the scarce nod they gave.

If he was hardened as an amateur, their treatment made him more so. And it all came out when he won the Los Angeles Open championship. He was five strokes behind the leader when the final round started. The course was soaked with driving rain, the greens ran water, and the par-70 course in normal times was a par-73 that day.

Little overcame the weather to get to the front, and with a 65 (!) —five under par—won with what Walter Hagen said was an amazing show of skill and courage.

* * *

WHEREAS wind and rain could not stop Little in the Los Angeles Open, it was too much for Sam Snead in the National Open at the Canterbury Golf Club on June 7. It was just a short sharp storm that Little and Horton Smith managed to evade.

Snead had broken all open records with his early round of 67, and a tremendous crowd followed him for the second. The sudden violent wind storm struck him on the 4th, and though he managed to conquer difficulties for some time, the short 17th put a 6 on his card and he finished with 74—3 over par.

Little went around before the storm blew up and returned a brilliant 69 to catch up Snead's morning lead, while Horton Smith went around after the storm had subsided and returned a par 71 to make it a triple tie of 141.

Little, as we know, won the play-off.

Motor Racing Records Set By Ab. Jenkins

SALT LAKE CITY, July 23 (Reuter).—Ab Jenkins, the American motor racing driver, who is now Mayor of Salt Lake City, established a world record for 24 hours' driving today in a Meteor with an average speed of 161.18 m.p.h., beating his own previous record of 157.27 m.p.h.

Jenkins has now broken every world record from the 50 kilometres to 3,000 miles, and from one hour to 24 hours.

He once lapped the circular 11-mile course in 189 m.p.h. which is the fastest speed ever on a circular track.

"B" Division Tennis

Chinese R. C. Easily Beat C. S. C. C.

Civil Service lost 9-0 to Chinese R.C., in the "B" division of the tennis league yesterday.

J. A. Bendall and I. Agafuroff lost to K. L. Ho and C. C. Wong 4-6; lost to D. C. Luk and S. W. Wong 2-6, lost to P. F. Tsoi and C. C. Luk 5-7.

W. J. Skinner and B. Agafuroff lost to Ho and Wong 1-6, lost to Luk and Wong 1-6, lost to Tsoi and Luk 2-6.

D. Holldge and C. Sloan lost to Ho and Wong 3-6, lost to Luk and Wong 1-6, lost to Tsoi and Luk 0-6.

Bowls Tournament

OVERWHELMING WIN FOR MAIN AND MUNRO

R. MAIN AND D. MUNRO gained an overwhelming victory over A. Morton and H. J. Bicknell in an Open Pairs lawn bowls championship match at the Craigengower Cricket Club yesterday. The score was 34-8.

Only on six heads did the losers score. Munro and Main scored two sixes, one on the 4th end and the other on the 20th, which was the last.

The scores were:

R. Main and D. Munro		A. Morton and H. J. Bicknell	
1	1	–	–
4	6	–	–
1	0	–	–
0	12	–	–
1	13	–	–
1	14	–	–
4	18	–	–
2	20	–	–
–	20	1	1
2	22	–	1
1	23	–	1
1	24	–	1
–	24	1	2
3	27	–	2
–	27	2	4
–	27	2	6
1	28	–	6
–	28	1	7
–	28	1	8
6	34	–	8

Rifle Assn. Meeting Postponed

After waiting for three-quarters of an hour, the annual meeting of the Hongkong Rifle Association, scheduled to take place yesterday, had to be postponed because the number of members present was insufficient to form a quorum. Thirteen members attended, two short of the number required.

At the suggestion of Major R. D. Walker, it was decided to postpone the meeting to August 6 at 5.30 p.m. at the Jacobean Room, Hongkong Hotel. No quorum will be necessary for this next meeting.

Water Polo

Y.M.C.A. Team To Meet Eastern

The following will represent European Y.M.C.A. seniors at water-polo this evening against Eastern Athletic Association, in the Y.M.C.A. Pool at 7.30 p.m.:

—H. Eardley; E. W. Railton and L. A. Benn; G. T. May; C. Goldman, G. H. Fowler and L. H. Chater. Reserve R. Goldman.

Summer Race Meeting At Kowloon C.C.

ENTERTAINING naval reservists from H.M.A.S. ships in the Colony, the Australian and New Zealand Association staged a summer race meeting at the Kowloon Cricket Club last night, at which a large crowd of people, including a fair number of women, were present. All had a very enjoyable time, and races proved close and exciting.

The programme consisted of eight races; one for women. Of the remaining seven, the winners of the first six qualified for the Melbourne Cup which was the last race of the evening, and on which was conducted a "big" sweep.

The course stretched the length of the K.C.C. hall, and the six little horses (though they looked more like a cross between a kangaroo and a camel) were drawn along by twine which was wound in at the other end of the hall by the "jockeys".

By sitting side-on to the handle, it was much simpler to wind, and consequently though "jockeys" 1-5 had someone sitting on their right and hampering their movements, "jockey" No. 6 had a free right hand with which to perform. This was not noticed until No. 6 had won the first two races in a canter. Thereafter, he, too, was handicapped by having someone sit beside him.

GOOD TIMES

TIMES were good and even. Slowest was 43 seconds, while the record for the track, established last night, was 37 seconds.

The great race, of course, was the Melbourne Cup. Betting was heavy on the record holder, though it was ignored that he had but established that record in the previous race. The Cup had people on their feet—it was a neck-and-neck struggle upon which "fortunes" depended. One of the favourites won, and paid a dividend of $1.60.

In between races, one of the officers entertained on the piano. Arrangements for the meeting were made by Mr. T. G. Stokes, who was also the pari-mutuel, while Mr. A. Spary was Clerk of the Course.

EXHIBITION TABLE TENNIS AT ST. ANDREW'S

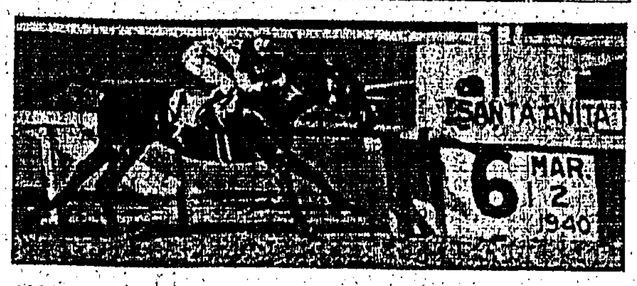
TABLE TENNIS of a high standard was witnessed in the exhibitions which were given in St. Andrew's last night in aid of the "S. C. M. Post" and "H.K. Telegraph" War Fund. Teams were made up of the champions of Hongkong and Kowloon teams, and the island team gained a narrow 10-9 victory.

Hongkong, it will be remembered, was able to offer stern competition to Szabados and Kelen,—the Hungarian world champions when they were on tour here, and in fact on two occasions inflicted defeat on those renowned players.

Last night's play was of the best, and remembering what has just been mentioned, little more need be said.

The scores were:

C. K. Chui (Kowloon) beat H. L. Young, 2-1.
S. H. Lai beat S. N. Sul, 2-1.
C. H. Tang beat C. C. Lee, 2-0.
C. F. Leung lost to C. K. Chan, 0-2.
T. L. Li lost to K. C. Lau, 1-2.
S. S. Wong lost to T. H. Lee, 1-2.
K. W. Yuen lost to Y. S. Wong, 2-1.



Sea Biscuit's Career

Greatest Money Winner Once Offered For $2,500 —Nobody Wanted Him

(First Chapter)
By JACK GUENTHER

ARCADIA, Cal., (UP).—No fiction magazine would have published it. No movie studio would have filmed it. No racing man would have believed it. The story of Sea Biscuit had to be lived.

He ran 18 times before he could win his first race—yet he has humbled the proudest thoroughbreds of his generation.

No one would buy him for a claiming price of $2,500—yet he won more money than any other horse in the history of the turf.

He was forced into retirement with an injury from which horses never come back—yet he returned to win the richest race in the world in the fastest time of his life.

He started life as a clown, so lazy he wouldn't run—yet to-day he is known from Suffolk Downs to Santa Anita for honesty and heart.

Those are the bare facts of Sea Biscuit's story. There are two men in it, too. There is Charles S. Howard, who parlayed a bicycle shop and a few second hand cars into millions. He bought the homely cast-off for $7,500. There is Tom Smith the one time Rodeo rider, known as silent Tom. He taught the ugly duckling how to run.

There are other men and other horses, but they will come in their places.

ODD-LOOKING FOAL

SEA Biscuit was foaled in Paris, Ky., at the Chiborne Stud on May 23, 1933. He was odd looking, even for a foal, with a homely head and a barrel like body that looked too heavy for his legs. He was bred and owned by Wheatley Stable, which was operated by H. C. Phipps and the late Ogden Mills.

He stayed in Kentucky for more than a year, until his skinny legs took on flesh and his back began to broaden and swell. Then he started into training under sunny Jim Fitzsimmons, the grand old man of the turf. From the start, the two of them didn't get along and we'll let sunny Jim tell you why.

"He fooled me for quite a spell," he explains. "I had him for more than a year and all the while I thought he simply couldn't run. We all thought so. I sent him out 17 times and watched him lose before I sent him the 18th and saw him win. Even then he wasn't running as well as he should have. He preferred to clown around and frolic.

"Then I found out why he wasn't running. It wasn't that he couldn't, it was that he wouldn't. He was lazy, dead lazy.

"One of my rules is that I never whip a horse. But I decided to fool the Biscuit to prove to him he wasn't fooling me. I told Jimmy Stout, he was the stable's contract jockey, to get himself a long flat stick, something that would sting but wouldn't hurt. Then we brought out the Biscuit.

"Well, sir, I told Jimmy to get up, get out and start smacking that baby on the rump. Jimmy did it—and how the Biscuit stepped. We knew then he could run."

A POOR SEASON

BUT the knowledge came too late. Sea Biscuit's first season had been a poor one. He had started 35 times on the eastern circuit but was able to win only five races, and those in poor fields.

He ran in three claiming races for $2,500 and nobody claimed him.

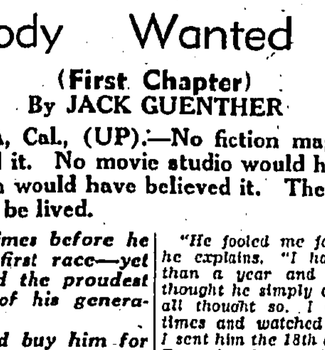
When the next season came and Sea Biscuit turned three years old, Sunny Jim was training Granville for the Kentucky Derby and he had not time for loafers. By August, Sea Biscuit had won only four starts, so Wheatley decided to sell.

SOLD FOR $7,500

THEY sold—to Howard—for $7,500 an hour before A. A. Baroni, the owner of top row, got in his bid. Sea Biscuit went west with silent Tom Smith and there his rise began.

When he started the year 1937, Sea Biscuit had run 58 times and had won only 14 of his starts. He was just another horse. But just around the bend of 1937 was his biggest season.

The next Chapter tells of his first real successes.)



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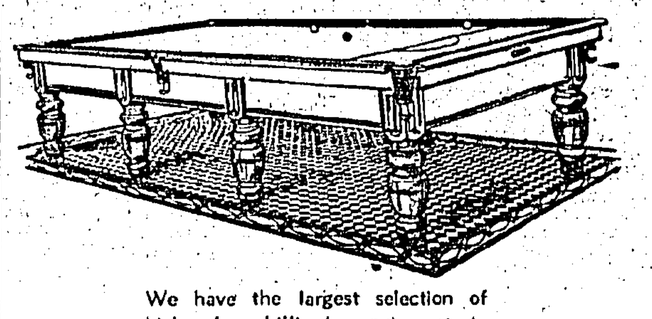


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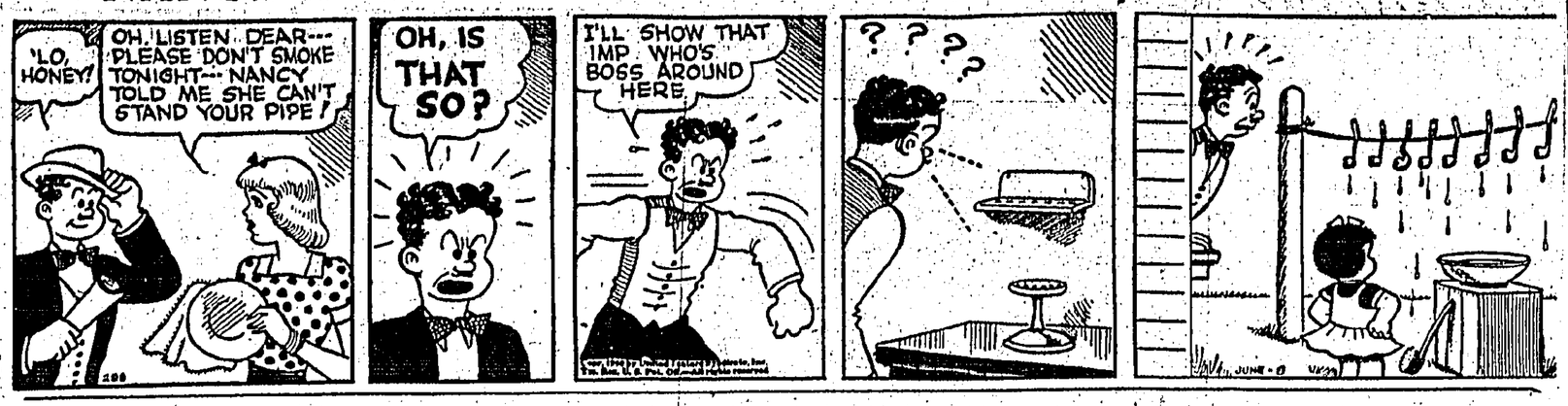
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ABSOLUTE POWER FOR CABINET

MEN AND PROPERTY CONTROLLED: BANKS TAKEN OVER

WITHOUT a word of warning, without a hint of advance publicity, in less than two and a half hours Parliament gave the Government full rein to do whatever it likes to win the war.

In this short period was concentrated the highest form of drama. Here is the story of how the new Emergency Powers Bill became law.

"Mr. Attlee," said the Speaker, after the short list of questions.

Nobody knew what it was all about, and there was a hush as the Acting Leader of the House rose.

He spoke in clear, sharp tones from a few sheets of typewritten notes, was complete master of himself and in a few seconds became master of his listeners.

"No need for panic, but give us power," was his theme. And the powers he asked for were more sweeping than any Britain has ever known, extending over all persons and all forms of property.

Men were fighting, he said. The Government's object was to mobilise now all the effective resources of the nation for whatever tasks might come upon us.

A little later both Houses of Parliament had swung into line behind a grim and clear-cut policy given to them in clear-cut terms by a man who a week or two ago was Leader of the Opposition.

Nation Faces Crisis

Mr. Attlee said:

I rise to inform the House that the present situation is so critical that the Government is compelled to seek special powers from the House by a Bill to be passed through all stages in both Houses of Parliament to-day.

The situation is grave.

Every member is fully aware of that, and every member is aware of the issues at stake.

A great battle is now proceeding.

Our men at sea, on land, and in the air are fighting with splendid courage, devotion and skill in company with the freedom-loving people who are our Allies.

The result of that battle we cannot know, but it must be clear to all that the next few weeks are critical.

Our ruthless enemy is restrained by no considerations of international law, justice, or humanity, and is throwing everything into the scale to force the decision.

We are resolved he shall not succeed.

The Government is convinced that now is the time when we must mobilise to the full the whole resources of this country.

We must throw all our weight into the struggle. (Hear, hear).

Every private interest must give way to the urgent needs of the community.

We cannot know what the next few weeks or even days may bring forth.

Complete Control

But whatever may come we shall meet it as the British people in the past have met dangers and overcome them.

But it is necessary that the Government should be given complete control over persons and property, not just some persons of some particular class of the community, but over all persons, rich or poor, employer or worker, man or woman, and all property.

It is for these powers I am asking the House this afternoon.

I do not ask them in any spirit of panic. There is no need for panic. We are asking that in this emergency we should be given the powers that may be needed.

In order to pass the Bill through all its stages it will be necessary to move a procedure resolution without notice.

The Government asks the House to acquiesce in this procedure in view of the great peril in which the nation stands to-day.

The resolution is in precisely the same form as that which was moved on August 28 last year for the purpose of passing the original Emergency Powers (Defence) Bill through all its stages on the same day.

The Bill is available in the vote office now.

Mr. Lees-Smith (Lab., Keighley) said this was not a time for lengthy discussion.

It was a time for action—a time for showing that the House of Commons could be a completely efficient instrument for the conduct of war.

The Labour Party, therefore, gave their full support to the measure.

Sir P. Harris (L., Bethnal Green, S.W.) said these were drastic powers, but he did not suppose in the history of the country had our danger been more real or the threat to the State more imminent.

Nothing would give the country greater confidence than to know that the Government was prepared to take action rapidly, even against all constitutional practice.

Parliament, of course, must be vigilant when occasion arose to see that these drastic powers were not unfairly used.

The resolution was carried with a unanimous shout of "Aye."

Commandeer Property

The House then took the Second Reading of the Bill. Opening the debate, **Mr. Attlee** said:—

I believe in this critical time the vast majority of the people of this country will willingly give their services to the country and will do all that is asked of them.

The Bill is introduced not because we have any doubt about the willingness of the people, but because in an emergency like the present there must be the necessary powers for the Government.

The operative part of the Bill is the extension of the Emergency Powers Defence Act, 1939.

In Clause One the powers conferred include power by Order in Council to make, such defence regulations, making provision requiring persons to place themselves, their services and their property at the disposal of His Majesty.

This may be done as appears to be necessary or expedient for securing the public safety, the defence of the realm, the maintenance of public order, or the efficient prosecution of the war, or for maintaining supplies and services essential to the life of the community.

The second section gives power to amend legislation passed since the beginning of the war, and the third important point is the extension of the original Act for another year.

Minister's Wide Powers

The Act would expire in August. No one can tell what the position may be in August, and therefore it is best to extend the Act now.

I do not want anyone to jump to the conclusion that all of a sudden everyone is going to be ordered to do something different from what he is doing now.

The essential thing in an emergency is that everybody should continue at their jobs until they are ordered to do otherwise.

What is proposed is that there should be control over persons and over property.

The Minister of Labour will be given power to direct any person to perform any service required.

That does not necessarily mean service in munitions or factories. It does not apply only to workmen. It applies to everybody.

The Minister will be able to prescribe terms of remuneration, hours of labour and conditions of service.

Remuneration will be on the basis of remuneration for the job.

If an engineer is asked to do engineering work he gets engineering pay. If someone else is asked to do his particular job he gets his usual wage. The professional man gets professional salary.

To Inspect Accounts

But if a man is asked to do manual work he gets manual pay.

The general principle is remuneration for the job, and these will be the rates of normal pay given by good employers.

If there are cases where people are asked to shift from one district to another, there should be payment to deal with things of this kind.

There will be power to inspect premises and require proprietors to produce books.

The object is to mobilise the effective resources of the nation whatever tasks may come upon us now.

I am convinced the bulk of the work will be done with the good will of all and the co-operation of organised labour in carrying these things out.

As for control of property, some establishments will be controlled altogether right away, others may be controlled later on.

They will in effect be working on Government account with wages and profits under Government control.

The Excess Profits Tax will be at the rate of 100 per cent. There must be no profit out of the national emergency.

Other establishments may be ordered to carry on, perhaps, at a loss, but there must be power to carry on essential services.

If people are put into a position where they are making a loss they must have adequate remuneration.

The essential thing is that a very wide field of industry, I cannot say how wide, will be carried on for the community in fact and not for private profit.

There may be cases where firms will have to be closed down.

There may have to be destruction of property here and there.

There will be the difficult question of compensation.

Control of Banks

In an emergency these things cannot be worked out, and in the meanwhile there will have to be an interim compensation.

There will also have to be control of the finances of the country and the banks.

It may be done centrally. It may be, if conditions require, that it will have to be done through regional commissioners.

At the moment I cannot give more than an indication of the kind of action that may have to be taken.

Under whose orders are these things going to be done?

They will be done under the orders of the Government, and the order will be given in each case by the Minister concerned with that particular national activity.

If conditions enforce it, control may have to be exercised through the regional commissioners.

Now let me take one particular part of the scheme already worked out in detail.

It is essential in this crisis that we should produce to the full all our essential munitions.

The Minister of Labour will be given the responsibility of supplying the labour required for the programmes of the various departments.

Chief Production

He proposes to set up at once a Production Council consisting of representatives of the chief Government departments, concerned with munitions supply—the Admiralty, the Ministries of Aircraft Production, Supply, Labour, Agriculture, and Mines.

That Production Council will be presided over by the Minister without Portfolio (Mr. Greenwood).

It is proposed to set up a Director of Labour Supply, with full-time assistants drawn from trade unions and employers.

There will be local organisation based on the area boards.

Mr. Davidson (Lab., Maryhill): Will there be no office of works in it?

Mr. Attlee: No; there will be full control of building operations.

At all important centres labour supply committees will be set up to organise local self-help for meeting difficulties in the labour supply.

BECOMES LAW IN 2½ HOURS

HERE is the time-table of the Emergency Bill's progress, showing the speed at which Parliament can work in a crisis:

Introduced by Mr. Attlee	3.45 p.m.
Second Reading	5. 8 p.m.
Through Commons	5.30 p.m.
Introduced in Lords	5.41 p.m.
Through Lords	5.57 p.m.
Royal Assent	6. 9 p.m.

All Excess Profit To Exchequer

It is proposed that firms should be grouped for the full utilisation of labour and to prevent waste.

In certain instances there will be compulsory notification of all men who are stood off or on short time through the employment exchanges.

Those firms engaged in munitions supply will be brought under control and become controlled establishments.

The Minister of Labour proposes to set on foot a bold and comprehensive scheme of training.

Training facilities are available in the Ministry of Labour and in the technical schools and so forth.

It is proposed that where non-federated firms are standing out and not observing agreements they shall observe agreements.

The essential thing is that at this time we should see that there is no waste of the essential skilled labour which is available.

There must be the utmost co-operation between all those working for the common end.

The Minister of Labour intends to work in the closest co-operation with trade unions and employers' organisations.

It may be that cases will arise where industrial customs and agreements must be set aside for the time.

It is essential that everybody who is engaged in this great effort should be satisfied that the rights he has had shall remain living and in being.

It is proposed therefore that there should be an addition to the Fair Wages Clause.

Under this employers who do not at the end of this war restore any customs or conditions set aside for the war will be ineligible to come on the list of Government contractors.

A Voice: Permanently?

Mr. Attlee: Certainly, until they comply.

I cannot give more than the broad details.

Munition Board

I have tried to give you a picture of an immediate piece of work.

How immediate it is you may gather when I say it is proposed that the Munitions Board should meet to-night to get on with the job.

I have only been able to indicate some lines on which action will be taken.

What other action will be taken must depend on how events move.

But I cannot end without again stressing what I am quite sure is in the mind of everybody—that at this time everything for which we stand is in jeopardy.

Our political rights, our rights of conscience, our industrial rights, everything would go if we did not defeat the enemy. (Cheers.)

I do not believe it is necessary to make a long appeal to the people of this country.

I am quite certain that everybody knows what is at stake, and while all these powers are necessary the real force behind us to-day is the will and determination of a free people. (Cheers.)

Mr. A. Maclaren (Lab., Burslem): Are we going to take powers to control land?

Mr. Attlee: The hon. member is right to stress the importance of land. I said property, and land is essentially real property.

Mr. Davidson (Lab., Maryhill) asked what control there would be of firms which might seek to perpetuate war-time labour conditions and which did not desire Government work after the war.

Mr. Attlee said he quite realised that such things might happen, but the general principle was that there would be definite conditions imposed upon employers.

Mr. Maxton complained that the Lord Privy Seal had been very definite on labour powers, but very, very vague as to what was going to be done about property.

STOCK MARKET REPORT

Hongkong Stock Exchange Official Summary issued yesterday says:

Market continues steady and with a continuation of enquiries but there is still a pronounced dearth of scrip.

Buyers

Union Insurances $340
Docks (Old) $15.50
Docks (New) $15
Providents $3.75
Lands $31.50
Trams $15.40
China Lights (Old) $0.40
Electrics (Old) $36.50
Cements $14.25
Watsons $8.40

Sellers

H.K. Banks $1,200
Hotels $3.75
Telephones (Old) $22.50

Sales

Yaumati Ferries $21
Electrics (Old) $37
Electrics (New) $35.50
Telephones (Old) $22.25
Dairy Farms $18.15
Watsons $8.60



OUSTED — Arthur Dietrich, press attache of German Legation in Mexico City, brother of Hitler's press chief, ousted by Mexicans.

Surrender Refused

American Planes At Martinique

New York, July 23.

M. Georges Picot, Director-General of the French Purchasing Commission, declared in a statement to-day that France was retaining the American-made war planes at present at Martinique.

He said that the agreement of June 16 transferring French contracts for war materials in the United States to Britain did not apply to materials which had already left United States waters.—*United Press.*

'DISASTER TURNED INTO TRIUMPH' —THE KING

THE KING has sent this message to Mr. Winston Churchill as Premier and Minister of Defence:—

I wish to express my admiration of the outstanding skill and bravery shown by the three Services and the Merchant Navy in the evacuation of the B.E.F. from Northern France.

So difficult an operation was made possible only by brilliant leadership and an indomitable spirit among all ranks of the Force.

The measure of its success—greater than we had dared to hope—was due to the unfailing support of the R.A.F. and, in the final stages, the tireless efforts of naval units of every kind.

While we acclaim this great feat, in which our French Allies, too, have played so important a part, we think with heartfelt sympathy of the loss and sufferings of those brave men whose self-sacrifice has turned disaster into triumph.

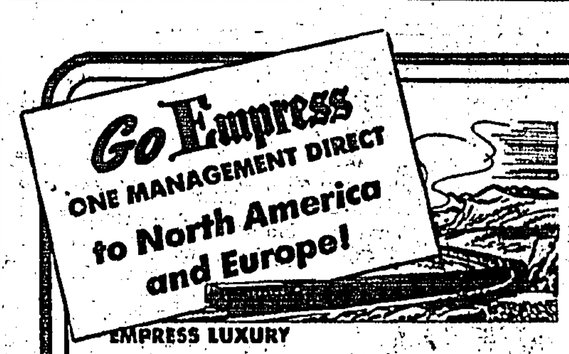
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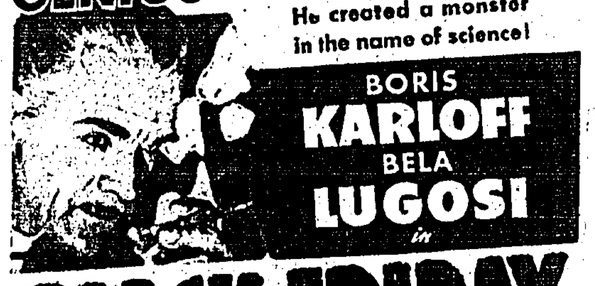
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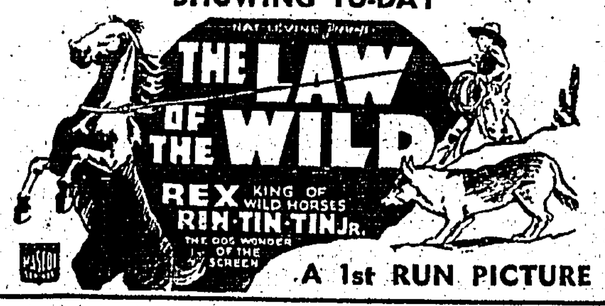


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SHOWING TO-DAY



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Special monthly rates for Breakfasts, Tiffins and Dinners. Fish and Chips 80 cents at Snack Bar.

WIDOWED COUSINS OF ROYAL DUCHESS

TWO cousins of the Duchess of Gloucester have been widowed by the war. They are the wives of two Irish Guards officers reported killed in action this month.

Lieutenant-Colonel Walter Douglas Faulkner, aged forty-two, who won the M.C. in France with the Irish Guards in the last war, is one of them. He was appointed to the command of the 1st Battalion in 1938. His widow is Patricia, daughter of Lord and Lady Herbert Montagu-Douglas-Scott. Lord Herbert is a brother of the late Duke of Buccleuch, father of the Duchess.

There are two children, a boy born in 1932 and a girl born in 1937.

The other officer is Major Thomas Archibald Hacket-Pain, who married in 1935 Marjorie Katherine, twin daughter of Lord George Montagu - Douglas-Scott, also an uncle of the Duchess.

Emergency Hospital

Successful Trial Period At Kowloon School

A portion of the building of the Central British School was last week turned into a "trial" hospital, and it was visited by a representative of the Government Medical Department on Monday.

The representative found that the lower floors of the School had been sand-bagged, like the Supreme Court and other buildings, and by courtesy of the Medical Authorities in charge he was permitted to see that portion of the building now serving as an Emergency Hospital for a fortnight's trial.

The Government representative found a large airy room, which normally functioned as a hall, serving as a ward for about 20 men surgical cases who are being attended by members of the Auxiliary Nursing Service, including fully trained nurses.

On an upper floor was seen a smaller ward containing about 12 women surgical cases, and all of them were very happy to be in such a clean and well ventilated place. A portion of the School, formerly given over to the teaching of domestic science, provided excellent culinary facilities.

Along the same corridor the representative found rooms allocated for the use of a dispensary, an operating theatre, and anaesthetic and X-ray rooms. On making enquiries, it was discovered that the head of the nursing service was the Matron of the Kowloon Hospital, who was combining her own work at the Hospital with that at the School.

The representative was also informed that the response for volunteers to co-operate at the Emergency Hospital was 100 per cent., in so far as concerned the European section of the Auxiliary Nursing Service. Mrs. Upsdell, wife of the Headmaster of the Central British School, was acting as Lady Superviser of the non-medical work of the Hospital, with the assistance of two voluntary assistant-supervisers.

First Aid Posts

It was learned from an authoritative quarter yesterday that, in spite of the somewhat disappointing response from the Chinese members of the Auxiliary Nursing Service, in connection with the present work at the Central British School yet of the 76 nurses who were asked to volunteer for duty at 19 First Aid posts, all reported for duty. Needless to say, the vast majority of these nurses are members of the Chinese community.

Extensive training is being carried on at the First Aid posts.

LATE NEWS

NAZIS MARCH INTO PARIS



Radio picture from Berlin, passed by German censor, shows Nazi troops marching past Arc de Triomphe, built by Napoleon. Note they do not pass under arch. Is that privilege reserved for Hitler?

This is the Story of Eugene Leopold Alphonse Duke

He Lived and Died in the Workhouse

EUGENE LEOPOLD ALPHONSE DUKE, five years-old, lived in a workhouse, of which his father was the master.

Ten years later he followed his father into the Poor Law service as a clerk, and at 21 was casual ward superintendent.

Two years later he gave up this post and lived on an allowance from his father. When that allowance stopped he re-entered the workhouse—this time as an inmate.

When 35 he had a £50 legacy. The guardians tried to persuade him to emigrate and offered him a free passage to Australia.

But the prospect of leaving his familiar surroundings was too much for him. He took lodgings a few yards away, and when the legacy was exhausted returned to the workhouse.

Recently it was announced that Eugene Leopold Alphonse Duke, 75 years old, has died at the same institution, the Queen's Road Public Assistance Homes, Croydon, having spent nearly the whole of his life there.

He had no known relatives and was buried at Mitcham Road Cemetery, Croydon.

Steel Magnate In Colony

In order that they could do everything possible to help the Government of India towards the prosecution of the war against Germany, Mr. Jeshanger Ghandy, General Manager of the Tata Iron and Steel Company Ltd., of Jamshedtur, India, went to the United States about two months ago to expedite the shipment of a US$2,000,000 order for machinery. This was revealed by Mr. Ghandy when he arrived in Hongkong from America by Clipper yesterday.

"The Government were very keen on our having a wheel, axle and tyre plant, as it would help them in maintaining their supplies of rolling stock," explained Mr. Ghandy. "Wheels, axles, etc., were formerly imported from abroad, but on the arrival of the plant, we would be self-sufficient in the matter of rolling stock," he added.

The Tata Iron and Steel Co. was the biggest mill of its kind in the British Empire, with over 30,000 men employed in the works, he explained. The town of Jamshedtur, with a population of about 100,000, was owned by the Steel Company; the houses, waterworks, plant, etc., being valued at about one hundred million gold dollars.

A trip was made to the United States every two or three years to keep in touch with developments, but the journey this time was partly to help the Government of India, said Mr. Ghandy.

Mr. Ghandy will probably fly back to India by C.N.A.C. plane via Rangoon, where he will be met by his own plane flown up from Jamshedtur. A large aerodrome with a complete ground staff and a fleet of planes is owned by the Steel Company, he said.

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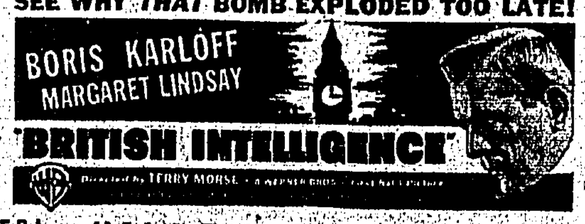
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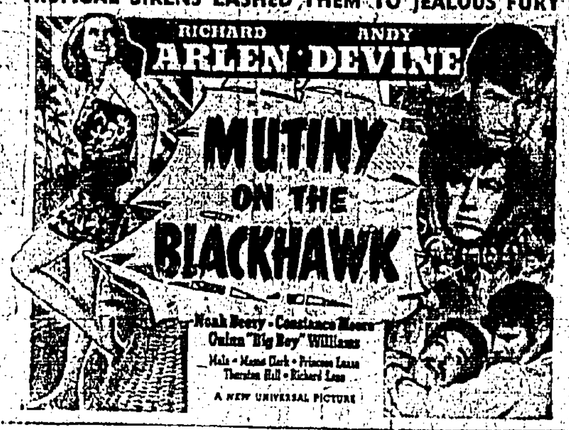
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Income Tax UP: Surtax UP: Tobacco UP: Beer UP: Estate Duty UP: Wines UP

BRITAIN'S ALL-TIME HIGH RECORD BUDGET

(SPECIAL TO THE "TELEGRAPH")

LONDON, JULY 23 (UP).—BRITAIN'S SECOND 1940 BUDGET HAS INCREASED INCOME TAX TO THE ALL-TIME RECORD OF 8s. 6d. IN THE £.

THE INITIAL £165 WILL BE TAXABLE AT THE RATE OF 5s. INSTEAD OF 4s. 3d. SURTAX ON INCOMES EXCEEDING £2,000 WILL BE INCREASED FROM 1s. 3d. TO 2s. THE HIGHEST RATE OF 9s. 6d. SURTAX WILL BE APPLICABLE TO ALL INCOMES OVER £20,000.

TOBACCO WILL COST ANOTHER 2s. A POUND EXTRA.

Duty on estates over £10,000 will be increased to 10 per cent.

The higher income tax will increase receipts by £60,000,000 this year and £84,000,000 in the next full year.

Receipts from income tax and surtax will be £635,000,000 for a full year, which is more than the total revenue from all sources in the years before the 1914-18 war.

GET YOUR MONEY READY

LONDON, July 23 (Reuter).—Sir Kingsley Wood, Chancellor of the Exchequer, began his Budget speech in the House of Commons to-day at 3.20 p.m. G.M.T. to cries from the Opposition benches of "Get Your Money Ready."

The Chancellor said that in the April Budget, the total of £2,000,000,000 was given with all reserve as a provisional round figure for war expenditure during the current year. It was then stated that under the present conditions, any estimate made for so long ahead was bound to be largely in the nature of a guess.

The revised estimated war expenditure for the current year was £2,800,000,000.

The revised estimated excess of expenditure over revenue would be in the region of £2,200,000,000.

£40,000,000 A Week

The figure of £2,000,000,000, estimated in April for war expenditure, represented an average of £40,000,000 a week during the year. The rate of expenditure during recent weeks had been £50,000,000.

The latest figures showed that for the four weeks ended July 20, the rate was £57,000,000 a week.

With an increase of £800,000,000 in the estimated war expenditure, the total of all expenditure came to £3,467,000,000.

The excess of expenditure thus estimated over revenue would be in the region of £2,200,000,000.

Not So Alarming

While the gap between revenue and expenditure was formidable, it was not so alarming as at first sight might appear. "To meet that part of our expenditure paid overseas, we are able to a considerable extent to draw upon outside resources in three principal ways.

"Firstly, we can dispose overseas of gold which is the property of the Government and which other nations are ready to purchase.

"Secondly, we can dispose of securities which the Government has purchased from persons in this country.

"Thirdly, the Dominions and India are not spending the whole of the proceeds of our large expenditure upon their products but are allowing part of them to accumulate in the form of balances and other short term investments in this country."

Large Gap To Fill

The Chancellor said there was a large gap to fill which would require further considerations and continued efforts in the form of increased taxation and additional savings and behind this formidable problem there lay economic problems of fundamental importance.

One consequence of the huge expenditure, which the Government was incurring, was that the total money income of the community was on a balance higher than it was.

Continuing, Sir Kingsley Wood says it was the Government's intention to extend restrictions on normal supplies to traders. By this action they would enable manufacturers to maintain, and where possible, to extend the export trade which must be regarded as a vital part of the war effort.

"There must be increased direct and indirect taxation. It is evident that further taxation on the largest scale possible and covering as wide a field as possible is imperative.

Ready Response Anticipated

"It is also equally plain that we cannot expect to raise by taxation at once and with one Budget so quickly following another all the sums that will have to come still further from this source. There are severe limits at any rate on certain means of obtaining new revenue.

"Income tax five years ago was at the standard rate of 4s. 6d and yielded roughly £200,000,000. To-day the estimate yield is £525,000,-

Turn to Page 5, Second Column

MEAL-TIME FOR THE EVACUEE CHILDREN



THE TWO PHOTOGRAPHS on this page were received by Clipper air mail last night. They were taken at Building No. 140, Fort McKinley, and show the evacuee children receiving their mid-day meal. Above the children line up at the tables with their tin plates, into which the food is ladled from the dixies. LEFT, another meal-time scene.

WELLES INDICTS RUSSIA

Absorption Of Baltic States Criticised

SPECIAL TO THE "TELEGRAPH"

WASHINGTON, July 23 (UP).—The following statement has been issued by Mr. Sumner Welles, the Under Secretary of State:

"During the past few days, the devious processes under which the political independence and territorial integrity of three small Baltic republics—Estonia, Latvia and Lithuania—were to be deliberately annihilated by one of their more powerful neighbours has been rapidly drawing to their conclusion.

"Since the time the peoples of these three republic first gained their independence and democratic form of government, the people of the United States have watched their admirable progress in self-government with sympathetic interest.

U.S. Opposition

"The policy of this Government is universally known. The people of the United States are opposed to predatory activities, no matter whether they are carried out by force or by the threat of force. They are likewise opposed to any form of intervention on the part of one State however powerful, in the domestic concerns of any other sovereign State, however weak. There principles constitute the very foundations upon which the existing relationship between the 21 sovereign republics of the new world rests.

"The United States continues to stand by these principles because of

Turn to Page 5, Fourth Column

T. V. Soong's Future

Appointment To New Ministry Indicated

CHUNGKING, July 24 (Reuter).—Although the names of Mr. T. V. Soong and Mr. Chen Kwan-pu are being widely mentioned as possible candidates for the new post of Minister of Economic Warfare, it is still uncertain whether the new Ministry will be established in the near future.

Meanwhile reports are current that Mr. Soong may remain in Washington as China's Ambassador in succession to Dr. Hu Hsih, who is expected to return shortly to China to assume the post of President of the Academia Sinica, which has been vacant since the death of Dr. Tsai Yuan-pei at Hongkong some months ago.

Following the abolition of the Chinese Embassies and Legations in the Netherlands, Denmark, Norway and Belgium as the result of the latest European developments, several prominent Chinese diplomats are returning to Chungking to join the Foreign Office.



Another Dramatic Evacuation Development

AMAZING ALLEGATION BY AUSTRALIAN GOVT.

THE AMAZING allegation that the Hongkong Government has not kept the Australian Government informed of the evacuees situation, and that cables from Canberra, the Australian capital, have remained unanswered is contained in a "United Press" message received from Canberra this morning.

The message states that the Commonwealth Government has been unable to proceed with its plans for the reception of the Hongkong evacuees because of lack of information.

The Australian authorities are still awaiting information from Hongkong regarding the number and classification of evacuees, and the date of their departure from Hongkong and Manila.

"It is stated in Canberra that cables seeking information from Hongkong have remained unanswered," the "United Press" correspondent reported.

Official Reply

The Colonial Secretary, Hon. Mr. R. A. C. North, was informed of the contents of the "United Press" message.

Mr. North said: **"There appears to be some mistake. If it is meant that**

Turn to Page 5, Fourth Column

Secret Gibraltar Evacuation Begins

SPECIAL TO THE "TELEGRAPH"

GIBRALTAR, July 23 (UP).—The greatest secrecy shrouded Gibraltar to-day when the first official evacuation of the Rock began.

Ships taking evacuees from Gibraltar are proceeding to an unknown destination.

The captains, it is learned, have received sealed orders which they will open only after the vessels leave Gibraltar.

It is believed their destination is other British colonies. About 2,000 evacuees are leaving.

In the meantime, many Gibraltar merchants are attempting to liquidate their businesses, but there are no takers at any price.

The only cargo vessels now in Gibraltar harbour are interned French and Italian ships.

BELFAST TAKES PRECAUTIONS

SPECIAL TO THE "TELEGRAPH"

BELFAST, July 23 (UP).—The leading hotels here are full of British officers of all services, and the streets are full of British soldiers from the augmented garrisons.

R.A.F. planes are often seen on training flights. Defence precautions similar to those employed in England are in force on the railways and highways.

R.A.F. Carry On The Good Work

DESTROYING NAZIS SINEWS OF WAR

LONDON, July 23 (Reuter).—Further details of last night's R.A.F. attacks are given by the Air Ministry news service.

At Bremen and Focke-wulf, aircraft works already damaged in previous raids, were bombed for the second night in succession.

Several explosions occurred and many fires were started.

Hits were also obtained on docks.

In a raid on an aircraft store at Paderborn, a large explosion was reported between the hangars from which columns of smoke were seen rising.

Oil Plant Hit

In an attack on an oil plant at Gelsinkirchen an observer reported a large explosion two minutes after bombs had been released, but a drifting cloud obscured the full result of the attack.

Another raider later reported that a large building was in flames and that columns of thick black smoke were seen.

While this raid was in progress, other aircraft were attacking an oil plant and Krupps munitions works at Essen, but clouds rendered accurate observation of the results impossible.

Widespread Damage

Another report says that an aircraft factory at Bremen, an aircraft park at Paderborn and military objectives in the Ruhr, including a synthetic oil plant at Gelsenkirchen

Turn to Page 5, Fifth Column

JOHN BLUNT SAYS—

Evacuation Complaints Must Be Investigated

There is obviously something more than "a storm in a teacup" in the many expressions of dissatisfaction concerning the lot of many of the evacuees.

The complaints from Manila are of too corroborative a nature to be brushed aside as exaggerations, and independent investigation appears to be necessary. It is not a question of disputing the necessity for the evacuation of women and children. Government must be assumed to know what is advisable.

It does not take a great deal of imagination to visualise the plight of mothers who have found themselves strangers in a strange country, the more especially when it must be remembered that many of them are possessed of scant means. They have been accustomed to comfortable homes. Now, they suffer from the sense that they are outcasts.

Someone Is Responsible

Such, is of course, not the case. Even although certain exemptions have the effect of creating the suspicion that very little danger exists (a suspicion that should never have been created) women played their part in acting in accordance with instructions issued. If every reasonable care has not been taken to assure, as far as possible, their comfort and peace of mind, somebody must bear the responsibility.

Whether the complaints are based upon official inefficiency, or just plain muddling, is beside the point. From Australia comes news that, even at this late juncture, the Commonwealth Government is not as yet in possession of necessary particulars concerning Hongkong refugees whom they are willing to take and care for!

Why Not Send An Official?

It is also difficult to understand why the Government is not sending to Australia one of its officials with whom the evacuees will be able to consult from time to time, as problems arise. It is true that the Dean of Hongkong has, as far as I under-

Turn to Page 5, Fourth Column

LATEST

See Back Page For Further Late News

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"HONGKONG AS REVEALED BY THE CAMERA" Second Edition. Over 60 excellent views of the Colony. Price $1.50. Obtainable at Kelly & Walsh, Ltd., Hongkong Travel Bureau or from the Publishers, South China Morning Post, Ltd., Wyndham Street.

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The Hongkong Telegraph Tenth Annual Amateur Photographic Competition

June — September, 1940.

Two Silver Trophies Awarded by ILFORD LTD.

For the best and second-best entries.

Four Silver Trophies Awarded by EASTMAN KODAK CO.

First Prizes in each of the four Sections.

$250 CASH PRIZES $250

SECTION ONE

General Pictorial: Land and Seascapes: Architecture: Street Scenes, etc.

1st. Silver Cup. 2nd. $30. 3rd. $20. 4th. $12.50.

SECTION TWO

Portraits: Informal Close-ups: Human Studies.

1st. Silver Cup. 2nd. $30. 3rd. $20. 4th. $12.50.

SECTION THREE

Still Life and Table Top Studies.

1st. Silver Cup. 2nd. $30. 3rd. $20. 4th. $12.50.

SECTION FOUR

(Craftsmen's Section)

The whole of the work entailed in the production of every entry must have been done by the competitors who will be required to make a declaration to this effect. Each entry must have pasted on the back a special entry form obtainable on application from The Hongkong Telegraph or from the Hon. Secretary, Hongkong Photographic Society. Subjects at the discretion of competitors.

1st. Silver Cup. 2nd. $30. 3rd. $20. 4th. $12.50.

RULES

The following Rules will govern the Competition:

1.—The Competition is confined exclusively to amateur photographers.
2.—No employee or member of any firm in the photographic trade is permitted to compete.
3.—The prizes will be awarded to the competitors sending in what are adjudged to be the best photographs in each Section. Each entry must be accompanied by a form which will be published during the period of the Competition, and which must be pasted on back of entry.
4.—The right to publish any or all of the entries is reserved to the *Hongkong Telegraph*.
5.—All photographs entered must have been taken in the Colony of Hongkong. Photographs which have been already entered in other Competitions are ineligible
6.—No responsibility will be accepted for non-delivery of, loss of, or damage to entries.
7.—All entries to be either black, sepia, or toned pictures, and must be mounted. Coloured photographs are ineligible.
8.—Pictures submitted in sepia tones should be accompanied by a smaller print in black and white.
9.—No picture to entered in more than one Section.
10.—Mounts to be only white or cream, must be of one of the following sizes:—10×12, 16×20.
11.—No correspondence will be entered into in connection with the Competition.
12.—Members of the Staffs of the *Hongkong Telegraph* and the *South China Morning Post* are not permitted to compete.
13.—The decision of the Judges shall be final.
14.—At the conclusion of the Competition, entries will be returned to competitors on application at the *Telegraph* offices within seven days.

ENTRY FORM

NAME

SECTION

ADDRESS

Please use block letters and paste this on back of each Entry in sections 1, 2 and 3.

COUNT THE "TELEGRAPHS" EVERYWHERE

NEW ADVERTISEMENTS.

HONGKONG TRAMWAYS, LIMITED

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an INTERIM DIVIDEND of Fifty (50) cents per Share has been declared payable on **WEDNESDAY, 14th AUGUST** next, on and after which date Dividend Warrants may be obtained upon application at the Registered Office of the Company, Canal Road East, Hongkong.

NOTICE IS HEREBY ALSO GIVEN that the REGISTER of MEMBERS of the Company will be closed from **WEDNESDAY, 31st JULY, to WEDNESDAY, 14th AUGUST, 1940,** both days inclusive.

By Order of the Board,
W. F. SIMMONS,
Secretary.
Hongkong, 22nd July, 1940.

IMMEDIATE DISPOSAL —SACRIFICE

CONTENTS of fully furnished flat—consisting of Super Quality Peking Rugs, Oil Paintings—complete crystal sets from finger bowls to liqueur glasses—Bronze Figures — Blackwood — all furniture made by Lane, Crawford's—Radio, 1940—Refrigerator, 1940—Chinaware—Silverware by Mappin & Webb—coat owner over $10,000 less than six months ago. Must sell at sacrifice.

Apply 25 Blue Pool Road, Top Floor, from 2—5 p.m.

FOR THE PROTECTION OF CHILDREN

What to do to help a child

Anyone knowing of a child who has been assaulted, neglected, or ill-treated in a manner likely to cause unnecessary suffering or injury to health, or knowing of a parent who is seeking advice on any matter concerning a child, would be doing an act of kindness by communicating at once with—

The Hon. General Secretary, H.K.S.P.C., Old City Hall.
The Inspector, 49, Pokfulam Road, 1st floor.
The Inspector, 82 Stone Nullah Lane, 2nd. Floor.
The Inspector, 12, Sai Yeung Choi St., Kowloon.
The Inspector, 52, Argyle St., Kowloon.

All further steps will be taken, and expenses borne, by the Society.

The Informant's name will be kept strictly private, except in cases where malice is proved.

MILITARY ACTIVITY

Russian Troops Busy On Big Diomede Island

Seattle, July 23.

Officers of the coastguard cutter Perseus said to-day that residents on the American-owned Little Diomede Island, in Bering Strait, had reported sighting on the nearby Russian-owned Big Diomede Island considerable activity, seemingly of a military nature. The residents said that a detachment of Soviet troops was at present constructing a large plane hangar.

They had also sighted a number of submarines at the Russian island.—*United Press.*

HALIFAX PRAISED

World Press Comments On Speech

London, July 23.

Lord Halifax's speech was fully reported and favourably commented on in the New York newspapers to-day. All stressed the point that Lord Halifax rejected Hitler's spurious peace offensive in terms which left no doubt of Britain's determination to carry on until freedom was won.

The *New York Times* said.—"Lord Halifax rejected Hitler's 'appeal to reason' because it came with no suggestion that peace must be based on justice. The important thing to-day is that the courage of the British Empire is unbroken, its spirit strong, its head high. This is an important thing because will power of this kind will prove a terrible weapon in the great battle soon to begin.

"Hitler does not understand the British people, but he is a good enough tactician to know that he faces a formidable foe when, in an hour like this, the British Foreign Secretary can quietly make assertions such as Halifax made yesterday."

The speech is warmly commended throughout New Zealand. The general feeling is well summed up by the *Wellington Evening Post*, which states.—"New Zealand's answer will undoubtedly be to collaborate in the declarations of the rest of the Empire in an emphatic rejection of Hitler's appeal for peace on his own terms.

"It would be difficult to speak too highly of this declaration of faith by Lord Halifax because it carries its own appeal to wider circles of those true Christians who abhor war in any shape or form."—*Reuter.*

Official Reticence

Washington, July 22.

The official spokesman to-day declined to comment on Lord Halifax's speech which, however, is obviously greeted with satisfaction among high Administration circles, who do not believe that the conditions now existing in the world would facilitate a peace satisfactory to the Democracies.

Informed circles are keenly interested in Lord Halifax's repeated references to the United States attitude towards Germany which were interpreted as signifying Britain's great dependence on United States moral sympathy and support.

Lord Halifax's reference to more than one nation beyond the seas who opposed Hitler's philosophy is seen as an attempt to encompass the entire Western Hemisphere in the anti-Nazi campaign.—*United Press.*

Axis Powers Reaction

Berlin, July 23.

An authorised quarter to-day declared that the Halifax speech was for the Germans a final negative answer to Hitler's offer as he had said not on behalf of the British Government.

"To this there is only one answer and it is not with words," it said. "From the German side there is nothing more to discuss. The die is cast."

Other quarters take particular exception to the religious tone of the speech and say that his description of the Nazis as anti-Christ is hypocritical piety.

"He walks with a bible in his hands but behind him stalks the Devil," they declare.

The Rome press attacks Lord Halifax, especially his references to peace with justice which, several papers assert, is Mussolini's own formula for settling European problems. They affirm that no such peace with justice plan has ever been drawn up by England.—*United Press.*

KENYA COFFEE CONTROL

Nairobi, July 23.

The Government has taken over control of the coffee industry.—*Reuter.*



They've well worn . . . but they've worn well

thanks to **KIWI**

BLACK POLISH . . . TAN POLISHES

Polishes, Protects and Preserves White Cleaner and Shoe Creams

H.K. Stock Market

The following quotations were issued on the Hongkong Stock Market this morning.

BANKS

H.K. Banks $.....1,180 b.
H.K. Banks (Lon. Reg.) ..£68 n.
H.K. Banks (H.K. Reg.) £..68 n.
Chartered £.....0⅛ n.
Mercantile, A. & B. £.....28⅛ n.
Mercantile, C. £.....11¼ n.
East Asia $.....73 n.

INSURANCES

Canton $.....218 n.
Union $.....340 b.
China Underwriters $....50 cts. n.
H.K. Fire $.....160 n.

SHIPPING

Douglases $.....120 n.
Steamboats $.....11 n.
Indo-Chinas P. $.....100 n.
Indo-Chinas D.$.....80 n.
Shell (Bearers) s/- 32/0 n.
Waterboats $ x.d.....6.90 n.

DOCKS ETC.

Wharves $.....90 s.
Docks (old) $.....15.60 b.
Docks (new) $.....15 b.
Providents $.....3.80 b.
Sh. Docks Sh. $.....20 n.

MINING

Kailan s/- 10/— n.
Raubs $.....9.55 n.
H.K. Mines 5 cts. n.

LANDS

Hotels 3.70 s.
Lands $.....32 sa.
Lands 4% Debentures 100 n.
S'hai Lands Sh. $.....9.90 n.
Humphreys $.....7 n.
H.K. Realties $.....3½ n.
Chinese Estates $.....101½ n.

UTILITIES

Trams $.....15½ b.
Peak Trams (old) $.....7.40 n.
Peak Trams (new) $.....3.70 n.
Star Ferries $.....60 n.
Y. Ferries $.....21 sa.
China Lights (old) $.....6¾ s.
China Lights (new) $.....3½ b.
H.K. Electrics (old) $.....37 sa.
H.K. Electrics (new) $....35½ sa.
Macao Electrics (old) $.....17 n.
Macao Electrics (new) $....10 n.
Sandakan Lights $.....11¼ n.
Telephones (old) 22½ s.
Telephones (new) $.....8.30 b.

INDUSTRIALS

Cald: Macg. (Ord.), Sh. $..14.90 n
Cald: Macg. (Pref.), Sh. $...12 n.
Canton Ices $.....1 n.
Cements $.....14½ b.
H.K. Ropes $.....4¼ n.

STORES, &c.

Dairy Farms $.....18.15 sa.
Watsons $.....8.60 sa.
Lane Crawfords $.....7.45 n.
Sinceres $.....2.60 n.
Wing On (H.K.) $.....30 n.
Powell Ltd. $.....1 n.

COTTON MILLS

Ewo Sh. $.....34½ n.
S'hai Cotton Sh. $.....180 b.

MISC.

H.K. Govt. 4% Loan 102 n.
H.K. Govt. 3½% Loan 95 n.
H.K. Govt. 3½% (1940) 95 n.
Ch. Govt. 5% 1925 G$Bds. 40% n.
H. K. Entertainments $....6.60 n.
Constructions (old) $.....13¾ n.
Constructions (new) $.....1 n.
Vibro Piling $.....8 n.
Marsmans Inv. (Lon.) s/1 8/1½ n.
Marsmans Inv. (H.K.) s/- ..4/- n



OUSTED — Arthur Dietrich, press attache of German Legation in Mexico City, brother of Hitler's press chief, ousted by Mexicans.

STOCK MARKET REPORT

Hongkong Stock Exchange Official Summary issued yesterday says:

Market continues steady and with a continuation of enquiries but there is still a pronounced dearth of scrip.

Buyers

Union Insurances $340
Docks (Old) $15.50
Docks (New) $15
Providents $3.75
Lands $31.50
Trams $15.40
China Lights (Old) $6.40
Electrics (Old) $36.50
Cements $14.25
Watsons $8.40

Sellers

H.K. Banks $1,200
Hotels $3.75
Telephones (Old) $22.50

Sales

Yaumati Ferries $21
Electrics (Old) $37
Electrics (New) $35.50
Telephones (Old) $22.25
Dairy Farms $18.15
Watsons $8.60

Spent Leave Saving Lives At Dunkirk

Young Man's Devotion To Duty

LONDON, July 23 (Reuter).—Stories about Dunkirk continue to come to light. The latest concerns a 19-year-old lad, who at one time was a salesman at Covent Garden and who volunteered for service with a trawler.

He went on leave just before the evacuation of the B.E.F. When he returned the Officer Commanding the trawler asked him where he spent his leave. "Dunkirk," he replied.

Could Not Be Put Off

It transpired that he reported at Chatham in uniform and asked to be allowed to join in the task of getting the B.E.F. away. He was told that since he was on leave he could not be given another job.

Undaunted, he returned home, got into civilian clothes, picked up an identification card and volunteered again. He became part of the crew of a small motor boat that made three trips to Dunkirk.

When his leave was over, he returned to the trawler.

Internment Mistakes

Sir John Anderson's Admission

LONDON, July 23 (Reuter).—In the House of Commons today, the Home Secretary, Sir John Anderson, admitted that "cases of mistakes were made in interpreting internment instructions."

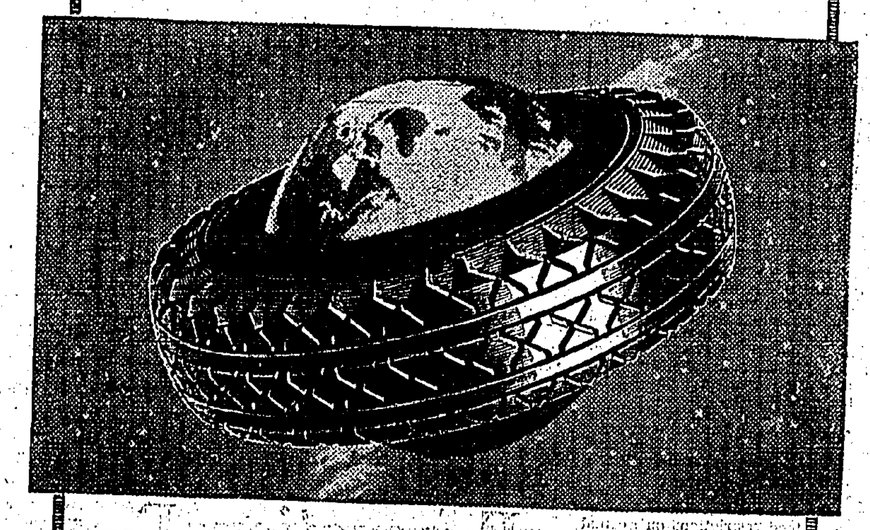
Sir John added that it was clear that a further examination would be likely to disclose in a number of cases circumstances justifying the release of individuals interned.

Early Rectification

Any mistakes must be rectified with the least possible delay. Consideration must also be given to enlarging the categories of exemption to include particularly those who could render services of special value or make a significant contribution to the war effort.

He announced the appointment of a small advisory committee to assist him in this matter.

THE PRICELESS EXPERIENCE GAINED BY GOODYEAR IN BUILDING MILLIONS MORE TYRES THAN ANY OTHER MANUFACTURER IS WHAT KEEPS GOODYEAR QUALITY ALWAYS IN THE LEAD. RIGHT NOW, GOODYEAR SCIENTISTS ARE AT WORK IN THE WORLD'S FINEST RUBBER RESEARCH LABORATORIES DEVELOPING THE TYRES YOU WANT TODAY—THE STILL BETTER TYRES YOU'LL NEED IN THE FUTURE.



THE WORLD OVER, MORE PEOPLE RIDE ON GOODYEAR TYRES THAN ON ANY OTHER MAKE.

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POST OFFICE

Small Packet Post to all countries is suspended.

OUTWARD MAIL TIMES

Registered and Parcel Mail are closed 15 minutes earlier than the time given below unless otherwise stated, and where mails are advertised to close at or before 9 a.m. registered and parcel mails are closed at 5 p.m. on the previous day. When mails are advertised to close after 5 p.m., Registered and Parcel mails are closed at 5 p.m.

INWARD MAILS

Australia and Manila July 24.
Canton July 24.
Haiphong July 24.
Shanghai and Amoy July 24.
Canton July 25.
Haiphong and Hoihow July 25.
London and Straits July 25.
Saigon July 25.
Sandakan July 25.
Air Mail by "Imperial Airways Service" July 25.
Bangkok July 26.
Haiphong, Hoihow and Fort Bayard July 26.
Japan July 26.
Manila July 26.
Shanghai July 26.
U.S.A., and Manila—(San Francisco date, 1st July) July 26.
Canton July 26.
Japan and Shanghai July 27.
Shanghai July 27.
Japan and Manila July 27.
Shanghai and Amoy July 28.
Air Mail by "Imperial Airways Service" July 29.
Japan, Shanghai and Formosa July 29.
Air Mail by "Pan American Airways Direct Service"—San Francisco date, 23rd July July 30.
Calcutta and Straits July 30.
Japan July 30.
Japan and Shanghai July 30.
Java and Manila July 30.
Rabaul and Manila July 30.

OUTWARD MAILS

Wednesday, July 24

Straits and Rangoon 1.30 p.m.
Fort Bayard 2.30 p.m.
Shanghai 2.30 p.m.
Manila and Batavia 7.00 p.m.

Thursday, July 25

Shanghai and Parcels only for Tientsin 9.30 a.m.
Sandakan Noon.
Shanghai 12.30 p.m.
Swatow and Parcels only for Tientsin 1 p.m.
Amoy 7.00 p.m.

Friday, July 26

Shanghai 8.30 a.m.
Fort Bayard, Hoihow and Haiphong. 10.00 a.m.
Straits and Calcutta
Parcels, ...July 26, 10.30 a.m.
Letters, ...July 26, 11.30 a.m.
Manila, Australia and New Zealand via Thursday Island.

G. P. O. and K. P. O.

Reg. July 26, 2.45 p.m.
Ord. July 26, 3.30 p.m.
Straits, Ceylon, India, East and South Africa, and United Kingdom

K.P.O.

Parcels 3.00 p.m.
Reg. 5.00 p.m.
Ord. 5.30 p.m.

G.P.O.

Parcels 3.00 p.m.
Reg. 5.00 p.m.
Ord. 7.00 p.m.
U.S.A., C. and S. America, Canada and *United-Kingdom via San Francisco (No Parcels for Canada).

G. P. O. and K. P. O.

Parcels July 26, 5 p.m.
Reg. July 27, 9.45 a.m.
Ord. July 27, 10.30 a.m.

Saturday, July 27

Shanghai 1 p.m.
Haiphong 2 p.m.
Straits, Rangoon and Calcutta 3.30 p.m.
Air Mail for "Imperial Airways Service" to Durban and thence by Sea Service to United-Kingdom.

G.P.O. & K.P.O.

Reg. July 27, 5 p.m.
Ord. July 27, 5.30 p.m.
Manila, Australia and New Zealand via Thursday Island

G.P.O. and K.P.O.

Parcels July 27, 5 p.m.
Reg. July 27, 5 p.m.
Ord. July 27, 5.30 p.m.
Canton 5.30 p.m.

Monday, July 29

Amoy and Shanghai 8.30 a.m.
Haiphong Noon.
Straits, Ceylon, India, E. and South Africa, Lisbon and United-Kingdom.

G. P. O. and K. P. O.

Reg. July 29, 2.45 p.m.
Ord. July 29, 3.30 p.m.
Canton 7 p.m.

Tuesday, July 30

Manila, Makassar and Sourabaya 8.30 a.m.
Shanghai 12.30 p.m.
Straits, Ceylon, India, Mombasa, Beira, Lourenco Marques, and South Africa via Durban.2.30 p.m.
Air Mail for Manila, Guam, Honolulu, U.S.A., and Europe via "Pan American Airways and Trans-Atlantic Services."

K.P.O.

Reg. July 30, 5 p.m.
Ord. July 30, 5.30 p.m.

G.P.O.

Reg. July 30, 5 p.m.
Ord. July 30, 7 p.m.
Air Mail for Malaya, Java and Australia by the "Imperial Airways Service."

K.P.O.

Reg. July 30, 5 p.m.
Ord. July 30, 5.30 p.m.

G.P.O.

Reg. July 30, 5 p.m.
Ord. July 30, 7 p.m.

Thursday, August 1

Shanghai 1 p.m.
Manila 3.30 p.m.
Manila, Rabaul, Australia and New Zealand via Brisbane.

G.P.O. and K.P.O.

Parcels Aug. 1, 5 p.m.
Reg. Aug. 2, 8.45 a.m.
Ord. Aug. 2, 9.30 a.m.

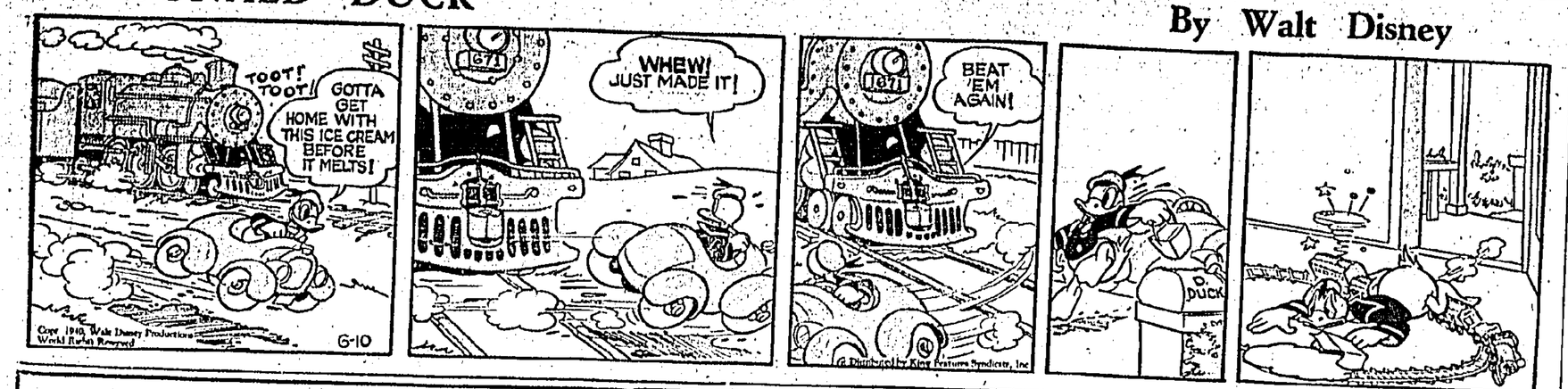
Friday, August 2

Sandakan 8.30 a.m.
Fort Bayard, Hoihow and Haiphong 10 a.m.
Japan 10.30 a.m.
Madang, Salamaua and Rabaul 3.30 p.m.

*Superscribed Correspondence Only.

DONALD DUCK

By Walt Disney



Special Offer!

Delicious **AMERICAN** OLD FASHIONED CREAMED

COTTAGE CHEESE

MADE FROM MILK PRODUCED FROM NONREACTING TUBERCULIN TESTED COWS

$1.20 per lb.

LANE, CRAWFORD, LTD.

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MAGAZINE PAGE

THE FLY: Telegraph Short Story Reading Time: 4 minutes

By Estelle Cliffe

"DAMN that noisy fly, I must swat him," said Stanton jumping up to get a newspaper, as a big blowfly blundered on to the window.

"Oh! I don't know," said his companion. "I never kill them, I have a kindly feeling for them. A fly once saved my life."

"Saved your life, you're joking, Wiltshire," said Stanton.

"Joking nothing," said the big detective. Wiltshire held a high position at the "Yard" and had had an adventurous life, as his friend knew.

"Aha! there's a story behind that. Come on, out with it, there's just time for a yarn before my wife comes and hauls me off to a party."

Wiltshire smiled with a far away look in his eyes. "Yes, it's a good story, but an old one now."

Stanton settled himself in his chair, knowing by experience that left to himself the detective would talk freely.

"It's a good many years ago," he began. "I was young in the Service, and mad keen on my job. There had been a series of robberies, all cleverly planned and carried out, big hauls of loot, and the police hadn't a thing to go on.

"The thieves were too clever to leave a scrap of evidence against themselves. I was working under Wetherby—you remember him? A clever chap, but expected a lot from his men. I had caught it hot from him for not getting a line on things. This put me on my mettle, I am afraid I did some rather unorthodox stunts to get information. I came to the conclusion that the whole thing was planned by one brain, and carried out by experts in their own line.

"I won't go into all the details how I got the information, but by hanging about low pubs, hearing a word here and there, and generally putting two and two together, I found out where the gang hung out. Being young and cocky, I determined to get into that house, and not say a word about it till I had proof that I was right.

"Well, I got into it and hid in an empty cupboard. Lord, what a fool I was, I was sure I had been too much for the clever scoundrels. Sure enough, they came in, and I had them under my eye, and what an 'eyeful.'

"They had evidently heard that we were on their trail and were getting out while the going was good.

"There were three men and the boss. A white-faced, white-haired bloke, with pale eyes and no eyelashes. Gave me the shivers to look at him. He was giving directions and had got everything worked out.

"They were all going by different routes to the Continent with passports all in order, ready to show a clean pair of heels.

"As I listened, I cursed myself for not saying at the office where I was going. Nobody knew where I was and I was helpless. The only way out was through that room.

"In my anxiety to see more, I made a rash move and the door rattled. In a moment the man had whipped round with a gun in his hand.

"'Who's in there?' he snarled, 'open the door and come out, before I put a bullet through it.

"There was nothing else to do, so I stepped out as coolly as I could.

"'Well, I'm blessed if it isn't our dear friend from the Yard who has been snooping round. You've come at a very awkward moment, I'm afraid I can't stop to entertain you. Now what shall I do with you? Better not kill, might be a mistake.' His cold eyes glared at me. 'I'll think of something. Hurry up, you fellows.' Here he gave some final direction, as if I was of no further account.

"He suddenly snapped his fingers. 'I've got it, I know how to keep you quiet. Johns, pull that couch up here and get me some rope. Now, my friend,' he turned on me with a snarl, 'Lie down and quick, before I change my mind and put you out for keeps.'

"In a moment I was lying bound on the couch, I smiled to myself, I could easily get out of that tie up. I smiled too soon.

"I watched with surprise as he fetched a bottle and glass. Was I to be doped? Then he found a small piece of cardboard.

"'A neat little plan,' he grinned, 'and worthy of my reputation.' The white face looked devilish as he stopped over me. He placed the card on my chest and poured a full glass from the bottle. It was then I saw the label on that bottle. 'VITRIOL.' God! what was he going to do?

"The thin smile never left his lips. 'Nasty, what? But only if you move,' he explained, as he stood the glass carefully on the card. 'One struggle and that will be over your face. Now, boys, he's fixed, off you go.'

"In a few minutes they were all gone, and I was left to my thoughts. If only I dared move, I could make the scoop of my life. Believe me, Stanton, I funked it. One movement and that awful stuff would spill and land—where? I dared scarcely breathe when I thought of it. It was then I began to notice the buzzing of a big fly about the silent room. The noise got maddening after a bit, as I lay there helpless wondering what would happen, and if I should be discovered! Presently the fly began to hover round as if attracted by something, and finally settled on the glass by my face.

"'Ah! my friend, one sip of that and you're for it,' I said aloud. Taking no notice of me, the fly moved up to the glass in that dawdling way flies have. He'll soon find out his mistake, I thought.

"But no, moving slowly up the glass, he stopped on the rim. Then he began to move down the inside. Then he started to taste the stuff. I expected to see him fall dead. He lapped up the supposed vitriol with every sign of enjoyment.

"It was a minute or two before I realised what it meant, and then I flung myself off that couch in a cold fury. Fooled by that damn crook, a grim fake that might have succeeded in keeping me there indefinitely but for that fly.

"The rest of the story was told in court and, with my information, we rounded up the whole gang.

"I expect you remember the case; anyhow it made my name and I have always had a pally feeling for a fly since then."

The HUSBAND'S No. 2 FRIEND

At tea time when a little nourishment is indicated the egg drinks are in order. Here is a popular swizzle:

1 ounce of gin
white of one egg
juice of half a lime
sugar to taste, ice and shake and serve in tall glass.

Even The Russian Can Raise A Laugh

By A. G. LANDAU

SOVIET RUSSIA is not exactly a cheerful place. The people are too earnest, too much regimented, and too consciously collectivised to allow much for light-hearted frivolity.

It might be a good thing, indeed, if they appointed a Commissar - General for Cheerfulness and Irreverent Jests.

Yet, now and again, there peeps out signs of a somewhat gloomy sense of humour. There are jokes, and they are bandied about like naughty deeds in a good world.

Here are a few of them. Before I relate them, however, let me inform you that my frequent visits to Russia were made to the more sovietised centres. The U.S.S.R. is a very big place, inhabited by many different races and many kinds of people. It would be foolish and dangerous of me to generalise and say that these anecdotes were common to the whole country. Let us proceed.

TO emphasise their loyalty towards Stalin all Russian communities are expected to show at the November festivals some "achievement" of the economic or cultural type, such as a new factory, school, or a workers' club. Such an "achievement" is called a "gift for Stalin." The story goes that a small Siberian township decided to show its loyalty on the cultural line," and it built a crematorium.

The inaugurantion of this important "gift" was fixed for the first day of the November festivals (the seventh). But as it happened, there were no dead people to be disposed of at this time. The committee, however, was lucky enough to find on the outskirts of the township an old beggar, apparently frozen to death by the early Siberian winter.

The funeral was held with all the ceremony suitable for such an occasion, and the "corpse" was delivered to the flames. Whether the builders of the crematorium had made a mistake, or for some other reason, the fire burnt very slowly. After two hours of waiting the officials decided that it was time to collect the ashes and to make sure, one of them opened the small window to the furnace.

"Shut that window!" shouted an angry voice from inside, "do you want me to catch a cold in the draught?"

INAUGURATING the first Five Year Plan, Stalin proclaimed that his aim was to achieve a much higher standard of living than in any capitalist country. "We shall overtake and outrun them," he announced.

"To overtake and to outrun" ("dognatj i peregnatj" became a daily slogan.)

"What do you think of 'to overtake and to outrun?'" an old Russian was asked. I don't care for this," was his reply, "my slogan is to live to see and to outlive."

When by the end of 1932 food became scarce in Moscow, and clothing and shoes were not available at all, it happened that because of the good fruit harvest in the south the people in Moscow got fruit instead of bread.

"How do you do?" I said once to a Russian official, who was an acquaintance of mine.

"Oh, splendid," answered he. "The true Paradise has been finally reached. We're going about naked and eating apples."

LET us conclude by the following story:—

The mummy of Lenin was solemnly conveyed to the magnificent "Lenin Mausoleum" on the Red Square in Moscow. A large crowd gathered around to watch the ceremony performed by the highest Soviet officials. One of them remarked an old peasant woman standing in the first row of the crowd and crying bitterly.

Touched by such a devotion of a simple woman, the high commissar approached her and said:

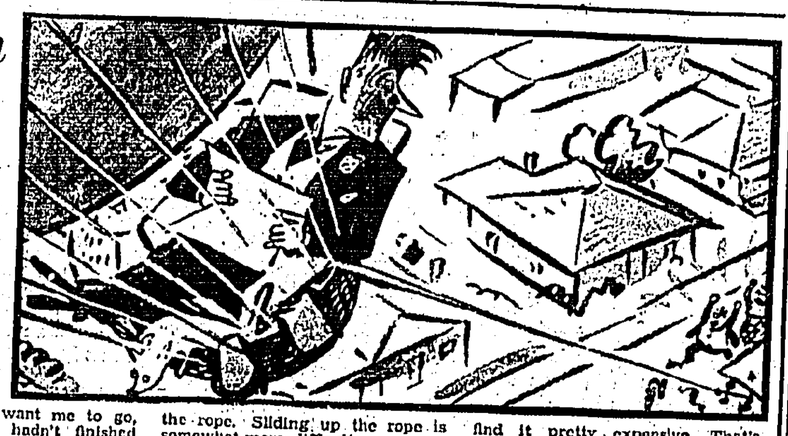
"Don't cry, little mother. Lenin is dead, but his work—communism—lives on!"

"Oh, little father," sobbed the woman, "that's what I'm crying about!"

These trips to the moon are just MOONSHINE

Being somewhat despondent, I had almost made up my mind to take a trip to the moon.

But on second thoughts I changed my mind. Nothing unusual in that, of course. It was due for it. Anyhow, I have nothing in common with the Man in the Moon.



PROFESSOR A. D. ROSS, of the University of West Australia, has been talking about how one could journey to the moon in a rocket ship. The ship would weigh 5020 tons in all.

But I should imagine that there would be a fairly loud bang when the first rocket went off to lift the 5020 tons. The jolt, too, would probably give you a pain in the neck for the duration of the trip.

The professor adds, as an afterthought, that getting back to earth again presents a serious problem. I suppose you'd just have to jump and risk jarring your ankles when you hit the earth.

Anyone who has actually thought up methods of going to the moon must be in a pretty bad way financially or domestically.

Also it seems that if the rocket missed its mark it may wander aimlessly through space for all eternity.

Now that would be monotonous, don't you think? Especially if you had nothing to read.

I don't believe in rocket-ships. By the time you'd lit the fuse the thing would be off, and there you'd be either hanging on to the outside of it or left on the ground. In either case you'd look an awful goat.

Balloons are different. I simply love travelling in balloons. I have not been up lately as my own balloon is slightly perished on one side, but I advise those who can afford it to invest in a balloon.

You can always get back to earth again simply by setting fire to the balloon. In this way it is far superior to a rocket ship.

The last time I went up was in June, if I remember rightly. There was a bit of a row on at home, on account of my bringing visitors home at three o'clock in the morning and starting the pianola and one thing and another.

Some women are most unreasonable!

Anyhow, after a few remarks had been bandied back and forth, I decided that the balloon was the best place.

So I hastily cut a few sandwiches, filled my thermos flask and embarked.

My wife clung madly to the gondola of the balloon, not because she didn't want me to go, but because she hadn't finished what she wanted to say.

I emptied a few bags of sand over her and lightened the weight on the balloon and slowly soared aloft. Birds fluttered about me as I opened my packet of sandwiches.

Meantime I could see the wife below gnashing her teeth and the landlord coming down the street arm-in-arm with the bailiff.

After reaching a height of ten thousand feet I threw out the anchor and stopped for lunch. One has to be careful when anchoring a balloon. Once my anchor caught on the top of a picture theatre and in lugging at the rope to disconnect the anchor, I tore the roof off the theatre. There was quite a lot of trouble about that.

It is always best to have an anchor because, if necessary, one can reach the earth by sliding down the rope. Sliding up the rope is somewhat more difficult.

I hear a remark from the back of the hall about the rarefied air at great altitudes. Well, this has never worried me in my ascents. Anyone who can stand the atmosphere in the smokeroom of my club can stand anything.

The only trouble about my balloon is that there is so little space. For instance, in the basket attached to my balloon there is no room for a billiard-table. Still, one gets used to such hardships after a time.

By the way, I forgot to mention that apart from the five thousand and twenty tons weight of Professor Ross' rocket ship it would be necessary to carry four thousand four hundred and sixty tons of liquid oxygen and hydrogen as fuel.

It would seem that future travellers to the moon are going to find it pretty expensive. That's why I'm all for balloons.

Mind you, the upkeep of a balloon is something to reckon with. You've got to tear a hole in it in order to get it down and then it comes down with such a terrific smash that it's hardly recognisable.

Not only that, but you get your clothes dirty on landing, and have to disentangle yourself from ropes and things.

It will be seen that I am not rabidly intense on balloons and, so far as I'm concerned, you can travel in trams for the rest of your life.

I don't want to rush you into buying a balloon just to have you come wingeing and complaining to me about it later.

I just want to warn you off rocket ships.

Don't touch them! Their trade-in value is negligible. Buy a bicycle!

RADIO

ZBW, 355 metres (845 k.c.) and 31.49 metres (9,520 kilo-cycles)

Recital by Nura Kanis From the Studio

Radio Programme Broadcast by Z. B. W. on a Frequency of 845 k.c's. and on Short Wave from 1-2.15 p.m. and 8-11 p.m. on 9.52 m.c's. per second.

12.15 p.m. Short Service of Intercession.

12.30 Max Bruch—Concerto No. 1 in G Minor, Op. 26.

Master Yehudi Menuhin (Violin) and the London Symphony Orchestra conducted by Sir Landon Ronald.

1.00 Local Time Signal and Weather Report.

1.03 Dance Music by Maurice Winnick and His Orchestra.

1.30 Reuter and Rugby Press, Weather Forecast and Announcements.

1.45 Cicely Courtneidge and Jack Hulbert in Variety.

2.15 Close Down.

6.00 Rachmaninoff — Symphony No. 2 in E Minor, Op. 27.

Eugene Ormandy and the Minneapolis Symphony Orchestra.

6.48 Closing Local Stock Quotations.

6.50 Songs by Beniamino Gigli (Tenor).

7.04 J. H. Squire Celeste Octet and Rose Bampton (Contralto).

A Venetian Barcarolle—Serenade (arr. Willoughby); When I Bring to You Colour'd Toys (from 'Gitanjali'); Memories of Chopin (arr. Willoughby); Light, My Light (from 'Gitanjali'); Operatica (Famous Operatic Melodies).

7.30 London Relay—The News.

8.00 Local Time Signal, Weather Report and Announcements.

8.03 Studio—Farewell Piano Recital by Nura Kanis.

1. Variations on Russian Folk Dance (Beethoven); 2. 1st Arabesque (Debussy); 3. 2nd Arabesque (Debussy); 4. Cordoba (Albeniz).

8.23 Light Orchestral Selections.

8.45 Rossini—William Tell—Ballet Music.

9.00 London Relay—The News.

9.30 London Relay—"Matters of Moment."

9.45 B. B. C. Recording—"Poor Polly."

10.00 "Please Teacher."

Musical Comedy with Bobby Howes and Company.

10.17 Dance Music.

11.00. Close Down.

KEEP THE CHIN UP

Grass Widowers Speak To Manila Wives

A variety of sentiment made up the messages expressed by 40 grass widowers last night over Z.B.W. in a broadcast to wives and families in Manila. The tone of the messages varied from sadness to joy, from practical jokes to serious instructions.

The messages, as personally spoken by the men, included the following statements:

Beer is the same price.
The spaniels are well.
The rabbit is better.

The canaries haven't laid any more eggs.

I am well and very comfortable.
I am looking after Ginger for you.
Hongkong is quiet and dull. I had a smash-up with the Hornsby train on Sunday.

Don't write for too much money as we hear there is to be a further tax on liquid food.

The garden is doing fine.
All the corn is ripe.
Mickey the dog is fit and I take him out as often as I can. Bring back a koala.

It is a long road that has no turning.

Have a good holiday in Sydney.
A hundred men and a girl at the hotel yesterday.

The grass widowers are settling down to household duties.

The golf courses lack their usual number since you left.

The weather became fine one day after you left.

Throughout the broadcast there ran an undertone of sadness, of concern and fondness for those evacuated, and an effort to be casual. All sent general or specific greetings to their wives, children, or Manila citizens who had been most helpful in making the evacuees comfortable. The men unanimously looked forward to the re-union. Practically everyone adjured the family to keep the "chin up."

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R. A. CAMIDGE, Manager.

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D. BENSON, Manager.

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THE LAXATIVE FOR CHILDREN
A pure vegetable preparation. Thorough, yet gentle in action. Will not gripe. Try it.

REFUGEE CHILDREN

A number of older girls at the King's Park Refugee Camp are busily engaged in making up material into overalls. This is the result of a gift of material, valued at $571.40, from the Kwangtung Refugees Relief Association.

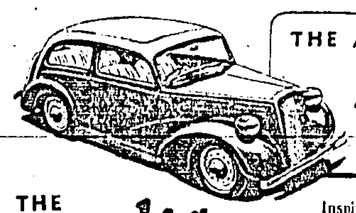
Not only overalls, but also tunics are being made out of the material supplied for the 80 children who were recently transferred to the Camp from the Po Leung Kuk.



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THE ANSWER TO THE Motorist's War Budget
THE Anglia
Inspired with every confidence in the future a bold step has been taken by Ford Motor Company Ltd. towards maintaining British Industries in producing the "Anglia." The Ford has always been acknowledged as Britain's most economical car and the introduction of the "Anglia" will further strengthen that reputation, despite war-time conditions.

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BOMBERS
ARE MORE THAN EVER
NEEDED TO-DAY.
The South China Morning Post, Ltd., is receiving subscriptions to
THE FUND TO ASSIST BRITAIN'S WAR EFFORT.
The whole of the money subscribed is being handed to The Government of Hongkong for transmission to
THE BRITISH GOVERNMENT
For the Purchase of Aeroplanes or such other Armaments as the British Government may decide.
Donations will be received by The South China Morning Post. Cheques should be made payable to "War Fund—South China Morning Post Limited."
All donations will be acknowledged in the columns of The S. C. M. Post & The Hongkong Telegraph.

STUDEBAKER FOR ECONOMY!
The Studebaker Commander has just won the Gilmore-Yosemite economy run over a course of over 300 miles. The Studebaker Champion and President models also won first honours in their class. This is the first time in history that one make of car has won all three first prizes. Studebaker is the most economical full-sized car to operate in Hongkong. Takes all the hills on top gear.
Try a Studebaker before buying any car.

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Stubbs Road Tel. 27778/9

DEATH

MARQUES.—Francisco Luiz Marques a retired clerk of Union Insurance Society of Canton died early this morning at Canossa Hospital. The funeral will pass the Monument at 5.30 this evening.

The Hongkong Telegraph.
Wednesday, July 24, 1940.
Wyndham St., Hongkong
Telephone: 20615

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Workers Behind The Guns

The attitude with which all the working classes in Great Britain are throwing themselves into the war presents a striking contrast with that of many of them between 1914 and 1918. Then, among large sections of the workers, there were doubts and misgivings, and fears of exploitation.—To-day—there is overwhelming evidence of the conviction that this fight is their fight, and that everything for which organised labour has stood throughout its history is at stake.

More than that, they understand that the struggle is not only for their own rights and liberties, but also for that kind of internationalism which has peculiarly appealed to the British labour movement. Mr. Ernest Bevin, the powerful trade unionist who is now Minister of Labour, made his first appeal as a member of the Government to his old comrades on grounds larger than national grounds. "I am an internationalist," he said, adding that one reason why he as a trade unionist took office was because the labour movement was being internationally destroyed and its members on the Continent were being imprisoned and tortured.

In Britain it is no small thing that a trusted trade-union leader should ask his followers to discard the narrower conception of trade unionism. In the last war there were endless disputes about the dilution of labour and the restrictive rules established by collective bargaining; there were strikes and threats of strikes which gravely hampered output. There are no signs of such reluctance to press on with the industrial speed-up to-day. All appear conscious that there are heavy arrears to be made up, that there is not a moment to lose, and that this is a war in which speed on the fighting front depends on speed in the factories.

This is what the War is costing

THIS war is a very expensive business, much more expensive than the last. Between 1914 and 1918 the cost of the Army worked out at about £340 per man per annum, whereas each man in the Army of to-day costs the nation on the average £600 per annum.

The Navy, Army, Air Force and Ministry of Supply are spending at the daily rate of nearly £4 millions. Almost another million a day is being spent on Air Raid Precautions, evacuation, shipping and the stabilization of food prices.

The whole of the war expenditure is therefore close on £5 millions a day, out of a total Government expenditure of between £6,500,000 and £7,000,000 a day.

Already then, when we are still only half-way through the first year of the war, we are spending at the rate of nearly £2,500 millions a year—and this when the war in the air has hardly begun. Before the end of the war's first year we may be spending £8 millions a day, which is at the rate of nearly £3,000 millions a year; if the war continues, expenditure may rise to £9 millions a day or £3,285 millions a year, or even £10 millions a day, when the truly terrific figure of £3,650 millions a year would be reached.

So much for expenditure; what of the receipts? The Chancellor of the Exchequer has estimated that in the year 1939-40 he will receive £995 millions, and in the financial year 1940-1941 he may, if he is lucky, receive as much as £1,250 millions. Expenditure, on the other hand, is likely to reach at least £3,200 millions. Between the two there is a difference of £1,950 millions—say, £2,000 millions. How is the gap to be closed?

Increased taxation is the first resort which will spring to mind, and the increases would have to be borne by every class in the community except perhaps the very poorest, for even if all incomes over £2,000 a year were completely confiscated the national revenue would be increased by only about £60 millions a year.

If the standard rate of income tax were raised from 7s. 6d. to 10s. in the pound, excess profits tax were made to yield its last pound, "fancy taxes" of one kind and another were imposed, and indirect taxation stiffened the estimated revenue might reach a figure of £1,750 millions, i.e. a further £500 millions a year. There would still be a gap of £1,500 millions per annum, and this gap could be closed only by borrowing of one kind or another.

At the outbreak of war it was estimated that the gross savings of the community cannot have exceeded about £750 millions a year at the most, and this figure included amounts necessarily set aside for the depreciation of existing capital.

As the nation's war effort expands, the growth of employment and the increased sums paid in wages must increase the nation's savings, and the National Savings compaign will no doubt lead to the saving of huge sums which would otherwise have been frittered away. In the first hundred days of the National Savings campaign the public subscribed, through the medium of War Savings Certificates and 3 per cent War Bonds, to the extent of £100 millions, and perhaps this rate of progress may be maintained or even increased.

But it is difficult to believe that the additional amount which can be secured from genuine savings will be more than £750 millions a year—in other words, £1,500 millions a year is the maximum that may be received from savings.

Thus we now have a total of Government receipts of £3,250 millions, made up of £1,750 millions from taxation and £1,500 millions from borrowing—about what the war is expected to cost during the coming year. If the war develops in the air, then its cost will be tremendously increased—as suggested above, it may approach a figure of £4,000 millions a year—and so there will develop an ever-widening gap. When the war is at its height this gap might amount to between £500 millions and £1,000 millions a year.

How will this fresh gap be closed? Judging from the experience of the last war, by a borrowing which will be, in effect, hardly distinguishable, if at all, from inflation.

If in wartime, as the "Economist" very clearly puts it, for every pound that the Government spends some private individual (or institution) has forgone the expenditure of a pound which he would otherwise have spent, then there is no inflation, no matter whether the private individual devoted the pound he did not spend to the payment of taxes, to subscription to war loan, or merely to the increase of his cash reserves.

But if the Government expenditure on the war increases without a corresponding reduction in the expenditure of the public, then there is inflation—if, for instance, the citizen subscribes to war loan, not out of cash set free by the limitation of his expenditure but out of advances made to him by his banker for the purpose and possibly on the security of the loan to which he is subscribing.

This is the method of increasing subscriptions to war loans which was adopted in the last war, and it may well be that circumstances will compel its adoption in the course of this struggle if it should continue more than a year or two.

8/6 IN THE £ Income Tax

FUNNY SIDE UP By Abner Dean



"I think the one with the brown eyes is the cutest!"

Continuing . . . OF MICE AND MEN

By John STEINBECK

ON Saturday night the boys went into town to tour the saloons and the outlying roadhouses. George went along, but only as an onlooker.

A drink of whiskey cost fifteen cents; and George was obsessed with the thought of how much good planting seed for the little truck garden on his and Lennie's place could be bought for fifteen cents.

So George returned to the ranch early—yet none too soon. Lennie, as usual, was doing the wrong thing.

Not only did he wander out to the barn and visit the forbidden premises of old Crooks, the coloured stable buck; worse, he betrayed the secret of their dream place to Crooks, abetted by Candy.

While George was ordering Lennie and Candy back to the bunkhouse, Mae, adrift as usual on Saturday night while her husband was in town on a drunk, entered the barn.

They tried to drive her away; but Mae, stubbornly bent on finding out what had really happened to Curley's hand, ignored their insults and closely questioned one after the other about Curley. Then she noticed the bruises on Lennie's face.

"So—it was you," she said softly. "Well, maybe you're dumb like they say—and maybe you're the only guy on the ranch with nerve. You're a nice fella!"

George would have struck her then and there for "messin' around" with Lennie, had not old man Jackson passed by and ordered them all out of the barn.

When Curley returned home, late Sunday morning, from his all-night drunk, his father told him about Mae's nocturnal visit to the barn. Curley rushed upstairs to administer one of his frequent beatings; but she turned on him in hysterical fury.

"Who bust your han', Curley?" she screamed, laughing wildly. "Who bust your han'?"

"I tole you I caught it in a machine."

"Yeah. I seen that machine last night. Why didn't you tell your old man so he could can them fellers? I'll tell ya why—'cause if ya talked, they'd talk too. An you were afraid you'd get the horse laugh—like I'm givin' ya now!"

Curley's anger turned to cold fury. "I ain't even gonna slug ya. I'm just gonna pack your junk. You're gettin' outa here. You and me are through."

* * *

THE Sunday afternoon horseshoe pitching contest was in full swing. But Lennie did not hear the excited shouts and the occasional clang of a horseshoe against the spike that sounded from outside the barn. For great sorrow had come to Lennie. His pup was dead.

While he sat in the straw, looking dumbly at the little lifeless form in his hands, Mae stealthily crept into the barn. At first she was unaware of Lennie's presence; she had come in, dressed in her best dress and carrying her cheap patent leather suitcase, to find her puppy.

"I was clear through the ranch gate, but I remembered—you foolish little face—you're comin' with me."

When she heard Lennie begin to sob, she went over to him.

"Your puppy! He's dead!"

"He was so lil'," whimpered Lennie. "I was jus' playin' with him an' he made like he was goin' to bite me an' I made like I was goin' to smack him —an' then he was dead."

"Don't you worry none. He was just a mutt. You can get another one easy. The whole country's full of mutts."

"It ain't that so much. George ain't gonna let me tend no rabbits, now."

Lennie suddenly remembered that Mae was a "pack o' trouble", and that he was forbidden to talk to her. He made as if to go, but she blocked his path.

She spoke to him soothingly. He needn't worry about being found talking to her. The horseshoe tournament would last all afternoon, and no one would leave it until it was over.

AT last Mae had some one to talk to, and to the uncomprehending, scarcely listening Lennie she poured out her life's story; how her father had been a drunken sign painter who was "put away" when she was a child; how she had wanted to go into the movies.

But Lennie kept returning to his own woe. "Maybe if I took this here pup an' throwed him away," he muttered, "George wouldn't never know. Then maybe I could tend the rabbits."

"What makes you so goofy about rabbits?" she demanded.

"I like to pet nice things. Once at a fair I seen some of them long hair rabbits. And they was nice, you bet. I like to pet nice, soft things. Like velvet."

"I think you're goofy," she giggled. "But you're a kinda nice fella. And a person can kinda see what you mean. Sometime when I'm doin' my hair I jus' set there an' stroke it because it's so soft. Feel there an' see how soft it is, Lennie. Don't you muss it up, now."

* * *

LENNIE gently, happily, stroked her hair. "Oh, that's nice."

He continued passing his fingers over her hair, gradually stroking it harder and harder, then passing his fingers through it. She jerked her head sideways, shouting "Look out, now! You'll muss it!"

Frightened by her sudden scream, he tightened his fingers convulsively on her hair and clung to it. She screamed again.

"Please don't holler," implored Lennie, still hanging on. "George will be mad."

Mae scrambled to her feet, and Lennie stood up with her. "Let go! You let go!" she screamed.

In wild panic, he clamped his big hand over her mouth and held it a moment. When he released her she screamed again, and again he covered her mouth, holding her tighter and tighter, shaking her a little. She struggled fiercely, kicking off one of her slippers. Then her frightened eyes suddenly became calm. Lennie released her, his fingers still entwined in her hair, and smiled with relief.

"That's right. Don't yell no more. I don't want to hurt you."

She stood facing him for another second, her eyes dull, her mouth open. Then she slumped to the floor.

(To be concluded)

Unanimity Sought

Mr. Cordell Hull's Task At Havana

NEW YORK, July 23 (Reuter).—Commissions of delegates are now preparing definite resolutions based on Mr. Cordell Hull's speech to offer to the Pan-American Conference, according to reports reaching here from Havana.

It is hoped that the resolutions will represent a step towards eventual unanimity at the Conference which Mr. Hull is known to be anxious to achieve in order to present a continental solidarity in face of the serious situation.

It is believed that such unanimity would not be possible until the Conference had advanced to further stages.

Argentine's Reserve

Argentina has hitherto shown herself shrewdly reserved towards the United States' proposals. Some observers maintain that this is a precautionary attitude rather than an unfavourable one, but others regard Argentina as reluctant to commit herself to any restrictive Pan American economic plan at the expense of her present relations with the totalitarian States, as well as Britain, unless she is assured of adequate tangible compensation in other directions.

Meanwhile, Brazil will probably assent more readily to some form of trusteeship of European possessions in the western hemisphere if she could secure some direct influence over the Guianas which bile into the Brazilian coastline.

Strong Leadership

Mr. Hull, however, has already assumed a strong leadership at the Conference and doesn't appear discouraged. Most Republics gave his keynote address a cordial reception. Enough modifications to suit the views of others may yet bring about "concrete measures" for "pressing" Pan-American problems.

STRONG CHINESE OFFENSIVE

Retake Cities On The Coast

CHUNGKING, July 24 (Reuter).—Contradicting the Japanese announcement of withdrawal of troops from Chinhai, the Chinese claim that Japanese troops landed at Chinhai (Chekiang) and Santuao (Fukien) have been driven back to their ships after vigorous Chinese counter-attacks.

Chinese field dispatches from the Chekiang front says that Chinese troops, after capturing strategic points north and south of Chinhai, launched an attack on July 21 on Chinhai despite heavy Japanese naval bombardments.

Chinhai Occupied

The Chinese claim to have completely occupied Chinhai at 3 a.m. yesterday.

Meanwhile the Japanese landed troops at Santuao yesterday morning and again at noon under cover of naval and aerial bombardment, but they were driven back to their ships yesterday afternoon.

The Chinese state that Chinhai and Santuao are at present cleared of Japanese troops.

KENYA'S HIGHER INCOME TAX

LONDON, July 23 (Reuter).—A message from Nairobi says that an income tax amendment bill will be introduced into the Kenya Legislature which will bring many people with smaller incomes within the scope of taxation and will increase the payments of those in higher income branches.

The maximum tax will be 10s. in the pound. The tax free limit will be about £200 a year and family allowances will be greatly reduced.

Subscriptions to Kenya's War Purposes Fund are rolling in by the thousands weekly. The Government has just sent a second donation of £20,000 to the Chancellor of the Exchequer.

Australian Evening

As expected, a large crowd was present for the first performance in Hongkong of a Melbourne Cup night at the Kowloon Cricket Club last night. The meeting, through the courtesy of the Club, was organised by the Australian and New Zealand Association for the entertainment of Australian naval reservists in Hongkong.

During the intervals between the races there was community singing.

THE WAR FUND

The War Fund inaugurated by the S. C. M. Post, Ltd., totalled $1,295,070.15 yesterday.

SIMLA, July 23 (Reuter).—The Viceroy's War Purpose Fund now exceeds £760,000. Donations are pouring in from all quarters, ranging from a gift of over £11,000 a month from the Nizam of Hyderabad to four pence from a railway porter.

BRITAIN'S RECORD BUDGET

FROM PAGE ONE

000. In the present circumstances I must ask for further contribution from the direct tax-payer and I believe he will readily respond (Laughter and Cheers).

"I propose to increase the standard rate of income tax for the whole of the current year to 8s. 6d. and with this increase, I propose to alter the rate on the tax that is charged on the first £160 on a tax-payer's income. The rate chargeable in this zone of income is at present half the standard rate and with the increase of the standard rate to 8s. 6d. the reduced rate should automatically rise to four shillings and three pence.

"I propose that this reduced rate should be increased to five shillings in the pound:

"Increase in income tax would produce in a full year £84,000,000 and in this year £60,000,000."

Surtax Increases

The Chancellor announced increases in the scales of surtax under which the rate of the first slice of income in excess of £2,000 would be increased from 1s. 3d. to 2s. in the pound would come into force in respect of incomes in excess of £20,000 instead of £30,000 as at present.

This increase was estimated to produce £11,000,000 in a full year and £8,000,000 in this year.

On incomes in excess of £20,000 a year, the State would take nine-tenths of every pound.

The result of the increase of income tax and surtax would be £639,000,000 for a full year compared with £290,000,000 which was produced five years ago.

Sir Kingsley Wood announced a further increase of 10 per cent. on estate duty which would produce about £6,000,000 in a full year and £1,000,000 in the current year.

Difficult Task

Remarking that the task of finding enough money to pay income tax in two six-monthly instalments was becoming increasingly difficult, the Chancellor announced an extension of the principle of deduction at the source to the whole range of salary and wage earners from the manual labourer to the company director.

The Chancellor believed that the only satisfactory and workable method of collecting income tax was deduction at the source month by month and week by week. We appealed to employers to give their co-operation in this task.

The Chancellor then announced an increase in beer duty of a penny per pint with an additional yield of £13,000,000.

Tobacco duty would also be increased by a further two shillings per pound, representing an additional yield of £9,000,000 for a full year and £6,000,000 for this. The stabilised preference on Empire tobacco would be maintained.

Wines also must contribute as from to-morrow, added the Chancellor. The increase on light wine would be two shillings and a penny per gallon and on heavy wines four shillings, making duty on light wines 8s. per gallon and on heavy wine 16s. per gallon.

Preference for wines from the Dominions and colonies would be maintained.

Duty on entertainment would also be increased to produce an estimated additional revenue of £4,000,000 in a full year.

The Net Result

These proposals in the sphere of direct and indirect taxation as a whole would give him £86,000,000 in the current year and £129,000,000 in a full year.

The Chancellor indicated that the purchase tax as now outlined would involve a reduction in the amount the Exchequer would receive under the original proposals. The Exchequer would secure a substantial sum in a full year of approximately £110,000,000.

The present Budget would thus provide in a full year a further sum of £239,000,000.

The April Budget imposed new charges of £128,000,000, making in all an additional sum of £367,000,000 imposed in the last three months, excluding £40,000,000 in connection with excess profit tax.

War Savings

Remarking that already over £300,000,000 had been raised on the three per cent. war bonds, £250,000,000 on the sale of saving certificates and defence bonds, and £110,000,000 by the 2½ per cent. war bonds, the Chancellor said that the success of these saving efforts led him to believe that the task of filling the gap between expenditure and revenue was by no means unmanageable. The financial problems that faced the country were undoubtedly many and difficult, but they could have full confidence that they were by no means unsurmountable.

"We have many resources and on our determination and capacity to use them to our utmost, there can be no doubt. As in the field of war, so in the vital areas of national finance, we are determined to continue on our course unflinchingly and at any sacrifice until victory has been achieved." (Loud Cheers).

Opposition Agreement

Speaking for the Labour Party, Mr. H. Lees-Smith said he took the increased expenditure as an example of increased vigour in administration and increase in the production of war machines.

He added: "The Nazi system produces poor human quality. When our production of machines is so developed that we can meet the Nazi power man to man on equal terms, then this war will begin to be won.

"I believe the Chancellor can carry the limits of taxation to the limit of human endurance. Never has any country had such a responsibility as rests upon us in the next few months. I believe the country is willing to rise to that responsibility and accept a self-sacrifice it did not even contemplate a few months ago."

Sir Percy Harris agreed that the country was ready to bear any burden to secure victory, for, he said, the alternative meant bondage.

Exchange At A Glance

SELLING	
T.T. London	1/2⅞
Demand London	1/2⅞
T.T. Shanghai	365
T.T. Singapore	52¾
T.T. Japan	67½
T.T. India	82½
T.T. U.S.A.	23
T.T. Manila	46
T.T. Batavia	43
T.T. Bangkok	149½
T.T. Saigon	100
T.T. France	Nom.
T.T. Switzerland	99
T.T. Australia	1/6½
BUYING	
4 m/s L/C London	1/3½
4 m/s D/P London	1/3⅝
4 m/s L/C U.S.A.	24⅝
4 m/s France	Nom.
30 d/s India	84½
U.S. Cross rate in London	4.02½
U.S. Cross rate in N.Y.	3.81½

OBITUARY

Sudden Death Of Engineer Of Royal Naval Yard

The death occurred suddenly yesterday of Mr W. H. Redwood, Electrical Station Engineer of the Superintending Electrical Engineer's Staff, Royal Naval Dockyard. Death it is understood was due to heart failure. A particularly poignant feature is that Mr. Redwood's wife and three daughters are in Manila, where they were evacuated with the Services personel three weeks ago.

Mr. Redwood, who was 49 years of age, had a busy and varied career mainly in the Admiralty Service. He served his apprenticeship with Messrs. Tilling Stevens, and held posts at Shotley, Crombie, Sheerness and Rosyth, and was completing his second term of duty at Hongkong. He served with H.M. Forces in the last War.

He was an efficient officer, and ranked highly in his superiors' eyes, while the long hours rendered necessary by the present emergency had been given ungrudgingly.

Closing associated with the Dockyard Recreation Club, Mr. Redwood was an ardent supporter of the Rifle Section. He had a keen sense of humour, and his general good fellowship earned him a large circle of friends.

The funeral will take place at 10 a.m. to-day, leaving the main gate of the Royal Naval Hospital for the Colonial Cemetery, and entering by the Stubbs Road gateway.

Mr. Chau Ngan-ting

A large number of friends attended the funeral yesterday of Mr. Chau Ngan-ting, compradore of the Chase Bank, who passed away at his residence, No. 6 On Hing Terrace, on Saturday.

The long procession led by three bands, left the house about 11 a.m. and arrived some two hours later at Yat Pit Ting, Kennedy Town, where the cortege was rested for those present to pay their last respects in the customary Chinese manner of bowing three times before the coffin.

Among those present were Mr. Ip Lan-chuen, Mr. Ho Kom-tong, Mr. Ho Wing, Mr. Tang Shiu-kin, Mr. Mok Kon-sang, Mr. Fung Heung-un, Mr. Wong Ping-sun, Mr. Iu Tak-cheuk, Mr. Kwok Chan, Mr. D. L. Ballantyne, Mr. F. A. Howard, and Dr. T. C. Ip.

Wreaths were sent by the Hon. Mr. R. A. C. North, the Hon. Mr. W. J. Carrie, the Hon. Mr. M. K. Lo, Mr. D. M. Biggar, Mr. D. L. Ballantyne, Mr. F. A. Howard, Mr. W. E. Denison, Mr. Fung Heung-un, Mr. Ip Lan-chuen, Mr. Ho Kom-tong, Mr. Mok Kong-sang, the Chase Bank, and many others.

Late Mrs. P. Gockchin

Followed by over 1,000 people, the remains of the late Mrs. Philip Gockchin were taken to the Chinese Christian Cemetery, Pokfulam, for burial yesterday.

Rev. Lee Kau-yan and Rev. Yung Pak conducted the service at the Cemetery, and the choir of St. Mary's Church, Causeway Bay, sang hymns.

VICEROY'S WAR FUND MOUNTS

LONDON, July 23 (Reuter).—A Simla message reports that the Viceroy's War Purposes Fund is now over £760,000 and subscriptions have been coming in steadily ever since the war began. They are entirely voluntary and come from all classes of people.

One of the latest donations comes from the Maharajah of Gondal, who has sent a lakh of rupees (£7,500) earmarked for the children's evacuation scheme. Of this sum £1,000 meets the needs of children from the Channel Islands.

The Secretary of State for India has asked the Viceroy to convey His Majesty's appreciation of the gift by the Maharajah.

INCORPORATION OF LITHUANIA

KAUNAS, July 23 (Reuter).—The Seimas (Diet) has decided to send a delegation consisting of 20 persons, headed by President Paleckis, to Moscow to carry out arrangements for the incorporation of Lithuania in the Soviet Union.

The nationalisation of banks, large enterprises and estates of over 75 acres has also been decided upon by the Seimas.

Greetings have been sent to Stalin.

WELLES INDICTS RUSSIA

FROM PAGE ONE

the conviction of the American people that unless the doctrines in which these principles are inherent once again govern relationship between nations, the rule of reason, justice and law—in other words, the basis of modern civilisation itself—cannot be preserved."

Denounces Russia

WASHINGTON, July 23 (Reuter).—Mr. Sumner Welles, who is acting Secretary of State in the absence of Mr. Cordell Hull who is at Havana, to-day denounced the absorption of Estonia, Latvia and Lithuania by the USSR as a "deliberate annihilation".

He told a press conference that the people of the United States "are opposed to predatory activities, no matter whether they are carried on by the use of force or the threat of force."

In a formal statement, Mr. Welles said that although the three States had voted to join Russia, the United States would continue to recognise their Ministers as Ministers of sovereign governments now under duress.

Washington Flutter

WASHINGTON, July 23 (Reuter).—Mr. Sumner Welles, Assistant Secretary of State, denouncing the Soviet absorption of the three Baltic states, caused considerable surprise among political observers in Washington.

It had been believed that relations between the United States and the U.S.S.R. were improving—a belief supported by the steps taken recently to release machine tools and other goods to the U.S.S.R.

The contents of Mr. Welles' statement perhaps are less striking than its biting phraseology.

It is generally supposed that the President must have been consulted before the statement was made, but it is not clear whether it was referred to Mr. Cordell Hull.

Minister Rebels

LONDON, July 23 (Reuter).—"Reuter's" diplomatic correspondent learns that the Estonian Minister in London has informed the Foreign Minister that he is unable to recognise the surrender of independence of his country as a free genuine expression of the will of the Estonian people.

Consequently, he does not regard as binding any decision or act emanating from a Government which no longer represents the free Estonian people.

Similar demarches were made by the Ministers of Latvia and Lithuania.

At the same time, they handed the Foreign Office a memorandum based on the constitution of the three countries whereby they will endeavour to establish that the elections were held under foreign pressure.

AMAZING ALLEGATION

FROM PAGE ONE

we have not given the Australian Government detailed information regarding the number of persons proceeding to Australia and the date of their departure that is true.

"We cannot give such detailed information until we know ourselves.

"The information will be sent to Australia before the ships leave Hongkong and Manila, thus giving the Australian Government two to three weeks to prepare for the reception of the evacuees."

Manila Complaints

Mr. North was asked if he has seen the report published this morning regarding the bitter complaints that have been received by husbands of certain evacuees.

"I have not yet seen the report in question," he said.

The "Telegraph" understands that serious allegations regarding the conditions suffered by some of the evacuated wives and children have been made in a letter forwarded by a group of Hongkong residents to the Hon. Attorney General.

The people in question are understood to be demanding the return of their families to Hongkong.

Serious allegations of racial discrimination are made.

It is understood that one or two of the husbands concerned have sought legal advice.

EVACUATION COMPLAINTS

FROM PAGE ONE

stand, offered his services, which have been accepted. With all due deference to the Dean, it is to be assumed that his work in the Colony will not permit him to absent himself for any length of time, and if it is to be a repetition of his visit to Manila, which was of extremely short duration, Government should reconsider the matter, and appoint from the Service an officer who can be seconded to Australia for whatever period may be necessary.

The responsibility is great, and every assurance should be given to those who remain that their women and children will not suffer any unnecessary hardships either mental or physical. They will all accept the inevitable and make the best of circumstances, but the circumstances must be softened by the exercise of official sympathy and tact.

GUNNER ON TRIAL

Tried To Hit Officer, Says Court

A District Court Martial assembled at Stanley Barracks yesterday for the trial of Gunners E. E. Milsom and W. H. Davis on charges arising from an incident in the bar of the Peninsula Hotel on July 7 and their removal by Military Police to Nanking Barracks, Shamshuipo.

Major L. J. C. Loch, Kumaon Rifles, was President of the Court and the other members were Capt. W. H. Beaman, R.A., and Lieut. B. G. W. Yeatman, R.A. The Prosecuting Officer was Lieut. P. J. T. Skipwith, R.A., and the Defending Officer Capt. D. R. G. M. Graham, R.A.

The case against Milsom was taken first and lasted the whole day, Davis being removed from the Court.

Milsom was charged with, while on active service, using insubordinate language towards a superior Officer, Flt.-Lieut. McGovern, and attempting to strike him. There were three other charges of using insubordinate language towards superior officers. He pleaded not guilty.

Flt.-Lieut. McGovern said at 11.20 p.m. on July 7 in the bar of the Peninsula Hotel Milsom and Davis approached him and Davis said.—"Excuse me, Sir, we have ordered drinks and find we are unable to pay for them." He signed the chit for their drinks, joined a friend, and remarked to them that it was always advisable to check on their finances before they ordered drinks.

Flt. Lt. McGovern continued that the accused then became generally abusive to everybody in the bar and he sent for the Military Police. As the accused were being escorted away Milsom used bad language at him and attempted to strike him but was restrained by the Police.

Officer Cross-Examined

Cross-examined by Capt. Graham Flt. Lt. McGovern said he considered it his duty to pay for drinks or sign a chit for drinks ordered by servicemen who were unable to pay for them. He also considered it his duty to give the accused a lecture on not having money to pay.

Capt. Graham.—If you had not advised them they would not now be in Court?—Perhaps not.

Is it not the duty of an officer to avoid a man, drunk or obstreperous, whom, it is intended to arrest?—Yes.

Why then did you not avoid them as they were being marched out.—I would either have had to leave the bar through the entrance to the arcade, when I would have passed them, or out of the bar altogether by the Middle Road door.

Would not either of these courses have been better than putting the accused into further trouble?—No.

Capt. Graham submitted he had no case to answer. The Court overruled the submission after considering it within closed doors.

L/Cpl. G. Thomson, of the Military Police, said Flt.-Lieut. McGovern asked him to arrest the men. When he asked them to get properly dressed and finish their drinks they started to swear and use obscene language.

As he was escorting them past Flt.-Lieut. McGovern, Milsom raised his fist to strike him and he had to be forcibly restrained. On the way to Nanking Barracks by bus, accused continued to use obscene language.

Other witnesses stated that accused used obscene language in the charge room at Nanking Barracks and kept shouting in the cell until 3 a.m.

Civilian Witness

Mr. W. J. Mills, Sub-manager of the Peninsula Hotel, who was called by the defence, said he considered accused had been drinking.

Capt. Graham.—Between 10.30 p.m. and midnight had there been any one seriously under the influence of liquor in the public bar?—No.

Did accused by his actions appear to be under the influence of liquor?—No.

Capt. Graham submitted that the witness was hostile. The Court overruled the objection.

Cross-examined by Lt. Skipwith, Mr. Mills said he heard the accused use offensive remarks. He was present when the Police escorted him from of the bar but did not hear him use offensive words then. He did not see any actions leading him to believe that accused was about to strike Flt.-Lieut. McGovern. The hearing was adjourned.

DESTROYING NAZI SINEWS

FROM PAGE ONE

were among objects attacked by Bomber Command aircraft last night.

Forces of our aircraft bombed aerodromes in northern France, Holland and Germany.

Two of our aircraft are missing.

Docks and petrol stores at Amsterdam and a barge concentration southwest of the Helder dock basin west of Ijmuiden, and shipping in Dunkirk harbour were attacked by aircraft of the Coastal Command during the night.

All these machines returned safely.

An enemy bomber was shot down by R.A.F. fighters near the northeast coast of Scotland during the afternoon.

DALADIER TO BE INDICTED

SPECIAL TO THE "TELEGRAPH"

VICHY, July 23 (UP).—The Petain Cabinet has decided to establish special courts in order to establish the responsibility of M. Daladier, M. Mandel, M. Campinchi and M. Delves for the declaration of war by France and the subsequent operation of the war.

Other members of the pre-Armistice government are also to be indicted.

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Around The Courses

DISAPPOINTMENT FOR SARAZEN

Ferrier Making Ground In America: Lawson Little—Hard And Uncompromising

(By "Birdie")

THE RESULT of the match between the U.S. Ryder Cup team and Sarazen's selections came through last Friday, and it was one that must have been a surprise to Sarazen. Though his vaunted team was only just beaten—7 and 5—yet beaten they were, and details of the match should be highly interesting. These, however, are not yet at hand, and I doubt if they will be for at least another two weeks.

Sarazen, himself, went down badly to Henry Picard in the singles, being beaten 8 and 7, and Lawson Little, the new Open champion, went under to Horton Smith 4 and 3. Though it may not be expected among the professional ranks, yet golf is a game that has more fluctuations of form than any other. There are so many little things that can turn the scales.

However, we will leave that until more detailed reports arrive. Meanwhile, the second interesting item of news from America was the result of the Chicago Open. Dick Metz was first and Johnnie Revolta second. Actually, the cable was somewhat mutilated and there was a second name that tied with Revolta with a score of 279, but it couldn't be worked out. The cable read "Hotean"—whoever that is! Can it be Ben "Hogan"

It probably is. In morse code, "t" is a dash, "e" is a dot, and "g" is dash-dash-dot. Omit the middle dash in "g" and it might sound like dash-pause-dot, which is "te". Q.E.D.

It is also interesting to see that Jim Ferrier was placed third, or rather fourth with the tie for second place. It indicates that he is at last getting into his stride "over there." One doesn't, of course, know what the "field" was like, but it seems that he has overcome playing conditions, which, a little while ago, Ferrier admitted were bothering him.

* * *

WHEN Lawson Little captured the American Open title it must have rankled in the hearts of many golfers, if there is anything to be attached to the writing of one of his reporter-friends.

Since he turned professional, four years ago, writes this friend, Lawson Little has been more unpopular than any golfer of the lot. Consolation he received after bad rounds was hollow, almost as hollow as the congratulations that followed the good.

The resentment of his fellow-pros was as understandable as it was unpardonable. Little turned professional after a tremendous amateur record. In publicity and praise he had outdone by far the men who were playing the game for a living. Twice winner of the British and American amateur title, he entered the professional ranks with a name more celebrated than any of the pros.

They looked on him as a menace and something to stamp out. Unfortunately, Little helped them to wrap him in ice. He was formal and aloof. Pros scarcely gave him a nod, and he scarcely acknowledged the scarce nod they gave.

If he was hardened as an amateur, their treatment made him more so. And it all came out when he won the Los Angeles Open championship. He was five strokes behind the leader when the final round started. The course was soaked with driving rain, the greens ran water, and the par-70 course in normal times was a par-73 that day.

Little overcame the weather to get to the front, and with a 65(!)—five under par—won with what Walter Hagen said was an amazing show of skill and courage.

* * *

WHEREAS wind and rain could not stop Little in the Los Angeles Open, it was too much for Sam Snead in the National Open at the Canterbury Golf Club on June 7. It was just a short sharp storm, that Little and Horton Smith managed to evade.

Snead had broken all open records with his early round of 67, and a tremendous crowd followed him for the second. The sudden violent wind storm struck him on the 4th, and though he managed to conquer difficulties for some time, the short 17th put a 5 on his card and he finished with 74—3 over par.

Little went around before the storm blew up and returned a brilliant 69 to catch up Snead's morning lead, while Horton Smith went around after the storm had subsided and returned a par 71 to make it a triple tie of 141.

Little, as we know, won the play-off.

Motor Racing Records Set By Ab. Jenkins

SALT LAKE CITY, July 23 (Reuter).—Ab Jenkins, the American motor racing driver, who is now Mayor of Salt Lake City, established a world record for 24 hours' driving today in a Meteor with an average speed of 161.18 m.p.h., beating his own previous record of 157.27 m.p.h.

Jenkins has now broken every world record from the 50 kilometres to 3,000 miles, and from one hour to 24 hours.

He once lapped the circular 11-mile course in 189 m.p.h. which is the fastest speed ever on a circular track.

Water Polo

Y.M.C.A. Team To Meet Eastern

The following will represent European Y.M.C.A. seniors at water-polo this evening against Eastern Athletic Association, in the Y.M.C.A. Pool at 7.30 p.m.:

H. Eardley; E. W. Railton and L. A. Benn; G. T. May; C. Goldman, G. H. Fowler and L. H. Chater. Reserve R. Goldman.

The following will represent Eastern.—

Woo Tso-kin; Kwok Fung-san, Yeung Man-kit; Shek Kam-pui; Lee Fook-kee, Chu Chok-yau and Wong Chi-hung. Reserve: Kwok Chun-hang.

Eastern Athletic Association will meet a team from H. M. S. Scout tomorrow evening at 8 p.m. at their pool at North Point.

Bowls Tournament

OVERWHELMING WIN FOR MAIN AND MUNRO

R. MAIN AND D. MUNRO gained an overwhelming victory over A. Morton and H. J. Bicknell in an Open Pairs lawn bowls championship match at the Craigengower Cricket Club yesterday. The score was 34-8.

Only on six heads did the losers score. Munro and Main scored two sixes, one on the 4th end and the other on the 20th, which was the last.

The scores were:

R. Main and D. Munro		A. Morton and H. J. Bicknell	
1	1	–	–
4	5	–	–
1	6	–	–
6	12	–	–
1	13	–	–
1	14	–	–
4	18	–	–
2	20	–	–
–	20	1	1
2	22	–	1
1	23	–	1
1	24	–	1
–	24	1	2
3	27	–	2
–	27	2	4
1	28	–	6
–	28	1	7
–	28	1	8
6	34	–	8

Rifle Assn. Meeting Postponed

After waiting for three-quarters of an hour, the annual meeting of the Hongkong Rifle Association, scheduled to take place yesterday, had to be postponed because the number of members present was insufficient to form a quorum. Thirteen members attended, two short of the number required.

At the suggestion of Major R. D. Walker, it was decided to postpone the meeting to August 6 at 5.30 p.m. at the Jacobean Room, Hongkong Hotel. No quorum will be necessary for this next meeting.

"B" Division Tennis

Chinese R. C. Easily Beat C. S. C. C.

Civil Service lost 9-0 to Chinese R.C., in the "B" division of the tennis league yesterday.

J. A. Bendall and I. Agafuroff lost to K. L. Ho and C. C. Wong 4-6, lost to D. C. Luk and S. W. Wong 2-6, lost to P. F. Tsoi and C. C. Luk 5-7.

W. J. Skinner and I. Agafuroff lost to Ho and Wong 1-6, lost to Luk and Wong 1-6, lost to Tsoi and Luk 2-6.

D. Hollidge and C. Sloan lost to Ho and Wong 3-6, lost to Luk and Wong 1-6, lost to Tsoi and Luk 0-6.

Summer Race Meeting At Kowloon C.C.

ENTERTAINING naval reservists from H.M.A.S. ships in the Colony, the Australian and New Zealand Association staged a summer race meeting at the Kowloon Cricket Club last night, at which a large crowd of people, including a fair number of women, were present. All had a very enjoyable time, and races proved close and exciting.

The programme consisted of eight races; one for women. Of the remaining seven, the winners of the first six qualified for the Melbourne Cup which was the last race of the evening, and on which was conducted a "big" sweep.

The course stretched the length of the K.C.C. hall, and the six little horses (though they looked more like a cross between a kangaroo and a camel) were drawn along by twine which was wound in at the other end of the hall by the "jockeys".

By sitting side-on to the handle, it was much simpler to wind, and consequently though "jockeys" 1-5 had someone sitting on their right and hampering their movements, "jockey" No. 6 had a free right hand with which to perform. This was not noticed until No. 6 had won the first two races in a canter. Thereafter, he, too, was handicapped by having someone sit beside him.

GOOD TIMES

TIMES were good and even. Slowest was 43 seconds, while the record for the track, established last night, was 37 seconds.

The great race, of course, was the Melbourne Cup. Betting was heavy on the record holder, though it was ignored that he had but established that record in the previous race. The Cup had people on their feet—it was a neck-and-neck struggle upon which "fortunes" depended.

In between races, one of the officers entertained on the piano. Arrangements for the meeting were made by Mr. T. G. Stokes, who was also the pari-mutuel, while Mr. A. Spary was Clerk of the Course.

EXHIBITION TABLE TENNIS AT ST. ANDREW'S

TABLE TENNIS of a high standard was witnessed in the exhibitions which were given in St. Andrew's last night in aid of the "S. C. M. Post" and "H.K. Telegraph" War Fund. Teams were made up of the champions of Hongkong and Kowloon teams, and the island team gained a narrow 10-9 victory.

Hongkong, it will be remembered, was able to offer stern competition to Szabados and Kelen, the Hungarian world champions when they were on tour here, and in fact on two occasions inflicted defeat on those renowned players.

Last night's play was of the best, and remembering what has just been mentioned, little more need be said.

The scores were:

C. K. Chui (Kowloon) beat H. L. Young, 2-1.
S. H. Lai beat S. N. Sui, 2-1.
C. H. Tang beat C. C. Lee, 2-0.
C. F. Leung lost to C. K. Chan, 0-2.
T. L. Li lost to K. C. Lau, 1-2.
S. S. Wong lost to T. H. Lee, 1-2.
K. W. Yuen lost to Y. S. Wong, 2-1.



Sea Biscuit's Career

Greatest Money Winner Once Offered For $2,500 —Nobody Wanted Him

(First Chapter)
By JACK GUENTHER

ARCADIA, Cal., (UP).—No fiction magazine would have published it. No movie studio would have filmed it. No racing man would have believed it. The story of Sea Biscuit had to be lived.

He ran 18 times before he could win his first race—yet he has humbled the proudest thoroughbreds of his generation.

No one would buy him for a claiming price of $2,500—yet he won more money than any other horse in the history of the turf.

He was forced into retirement with an injury from which horses never come back—yet he returned to win the richest race in the world in the fastest time of his life.

He started life as a clown, so lazy he wouldn't run—yet to-day he is known from Suffolk Downs to Santa Anita for honesty and heart.

Those are the bare facts of Sea Biscuit's story. There are two men in it, too. There is Charles S. Howard, who parlayed a bicycle shop and a few second hand cars into millions. He bought the homely cast-off for $7,500. There is Tom Smith the one time Rodeo rider, known as silent Tom. He taught the ugly duckling how to run.

There are other men and other horses, but they will come in their places.

ODD-LOOKING FOAL

SEA Biscuit was foaled in Paris, Ky., at the Claiborne Stud on May 23, 1933. He was odd looking, even for a foal, with a homely head and a barrel like body that looked too heavy for his legs. He was bred and owned by Wheatley Stable, which was operated by H. C. Phipps and the late Ogden Mills.

He stayed in Kentucky for more than a year, until his skinny legs took on flesh and his back began to broaden and swell. Then he started into training under sunny Jim Fitzsimmons, the grand old man of the turf. From the start, the two of them didn't get along and we'll let sunny Jim tell you why.

"He fooled me for quite a spell," he explains. "I had him for more than a year and all the while I thought he simply couldn't run. We all thought so. I sent him out 17 times and watched him lose before I sent him the 18th and saw him win. Even then he wasn't running as well as he should have. He preferred to clown around and frolic.

"Then I found out why he wasn't running. It wasn't that he couldn't, it was that he wouldn't. He was lazy, dead lazy.

"One of my rules is that I never whip a horse. But I decided to fool the Biscuit to prove to him he wasn't fooling me. I told Jimmy Stout, he was the stable's contract jockey, to get himself a long flat stick, something that would sting but wouldn't hurt. Then we brought out the Biscuit.

"Well, sir, I told Jimmy to get up, get out and start smacking that baby on the rump. Jimmy did it—and how the Biscuit stepped. We knew then he could run."

A POOR SEASON

BUT the knowledge came too late. Sea Biscuit's first season had been a poor one. He had started 35 times on the eastern circuit but was able to win only five races, and those in poor fields.

He ran in three claiming races for $2,500 and nobody claimed him.

When the next season came and Sea Biscuit turned three years old, Sunny Jim was training Granville for the Kentucky Derby and he had not time for loafers. By August, Sea Biscuit had won only four starts, so Wheatley decided to sell.

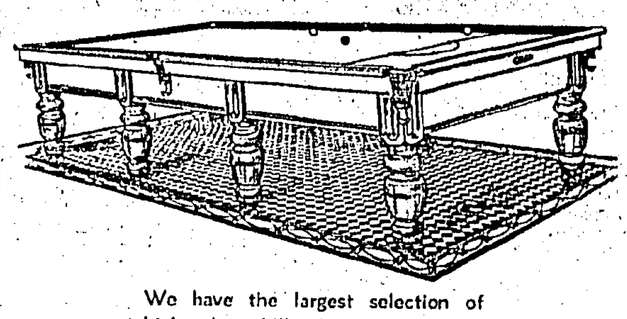
SOLD FOR $7,500

THEY sold—to Howard—for $7,500 an hour before A. A. Baroni, the owner of top row, got in his bid. Sea Biscuit went west with silent Tom Smith and there his rise began.

When he started the year 1937, Sea Biscuit had run 56 times and had won only 14 of his starts. He was just another horse. But just around the bend of 1937 was his biggest season.

The next Chapter tells of his first real successes.)

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WIDOWED COUSINS OF ROYAL DUCHESS

TWO cousins of the Duchess of Gloucester have been widowed by the war. They are the wives of two Irish Guards officers reported killed in action this month.

Lieutenant-Colonel Walter Douglas Faulkner, aged forty-two, who won the M.C. in France with the Irish Guards in the last war, is one of them. He was appointed to the command of the 1st Battalion in 1938. His widow is Patricia, daughter of Lord and Lady Herbert Montagu-Douglas-Scott. Lord Herbert is a brother of the late Duke of Buccleuch, father of the Duchess.

There are two children, a boy born in 1932 and a girl born in 1937.

The other officer is Major Thomas Archibald Hacket-Pain, who married in 1935 Marjorie Katherine, twin daughter of Lord George Montagu - Douglas-Scott, also an uncle of the Duchess.

Emergency Hospital

Successful Trial Period At Kowloon School

A portion of the building of the Central British School was last week turned into a "trial" hospital, and it was visited by a representative of the Government Medical Department on Monday.

The representative found that the lower floors of the School had been sand-bagged, like the Supreme Court and other buildings, and by courtesy of the Medical Authorities in charge he was permitted to see that portion of the building now serving as an Emergency Hospital for a fortnight's trial.

The Government representative found a large airy room, which normally functioned as a hall, serving as a ward for about 20 men surgical cases who are being attended by members of the Auxiliary Nursing Service, including fully trained nurses.

On an upper floor was seen a smaller ward containing about 12 women surgical cases, and all of them were very happy to be in such a clean and well ventilated place. A portion of the School, formerly given over to the teaching of domestic science, provided excellent culinary facilities.

Along the same corridor the representative found rooms allocated for the use of a dispensary, an operating theatre, and anaesthetic and X-ray rooms. On making enquiries, it was discovered that the head of the nursing service was the Matron of the Kowloon Hospital, who was combining her own work at the Hospital with that at the School.

The representative was also informed that the response for volunteers to co-operate at the Emergency Hospital was 100 per cent., in so far as concerned the European section of the Auxiliary Nursing Service. Mrs. Upsdell, wife of the Headmaster of the Central British School, was acting as Lady Superviser of the non-medical work of the Hospital, with the assistance of two voluntary assistant-supervisers.

First Aid Posts

It was learned from an authoritative quarter yesterday that, in spite of the somewhat disappointing response from the Chinese members of the Auxiliary Nursing Service, in connection with the present work at the Central British School yet of the 70 nurses who were asked to volunteer for duty at 19 First Aid posts, all reported for duty. Needless to say, the vast majority of these nurses are members of the Chinese community.

Extensive training is being carried on at the First Aid posts.

LATE NEWS

NAZIS MARCH INTO PARIS



Radio picture from Berlin, passed by German censor, shows Nazi troops marching past Arc de Triomphe, built by Napoleon. Note they do not pass under arch. Is that privilege reserved for Hitler?

This is the Story of Eugene Leopold Alphonse Duke

He Lived and Died in the Workhouse

EUGENE LEOPOLD ALPHONSE DUKE, five years old, lived in a workhouse, of which his father was the master.

Ten years later he followed his father into the Poor Law service as a clerk, and at 21 was casual ward superintendent.

Two years later he gave up this post and lived on an allowance from his father. When that allowance stopped he re-entered the workhouse—this time as an inmate.

When 35 he had a £50 legacy. The guardians tried to persuade him to emigrate and offered him a free passage to Australia.

But the prospect of leaving his familiar surroundings was too much for him. He took lodgings a few yards away, and when the legacy was exhausted returned to the workhouse.

Recently it was announced that Eugene Leopold Alphonse Duke, 75 years old, has died at the same institution, the Queen's Road Public Assistance Homes, Croydon, having spent nearly the whole of his life there.

He had no known relatives and was buried at Mitcham Road Cemetery, Croydon.

Steel Magnate In Colony

In order that they could do everything possible to help the Government of India towards the prosecution of the war against Germany, Mr. Jeshanger Ghandy, General Manager of the Tata Iron and Steel Company Ltd., of Jamshedtur, India, went to the United States about two months ago to expedite the shipment of a US$2,000,000 order for machinery. This was revealed by Mr. Ghandy when he arrived in Hongkong from America by Clipper yesterday.

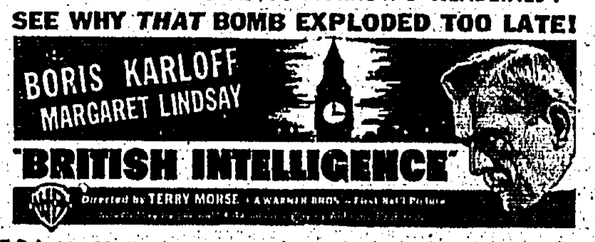
"The Government were very keen on our having a wheel, axle and tyre plant, as it would help them in maintaining their supplies of rolling stock," explained Mr. Ghandy. "Wheels, axles, etc., were formerly imported from abroad, but on the arrival of the plant, we would be self-sufficient in the matter of rolling stock," he added.

The Tata Iron and Steel Co. was the biggest mill of its kind in the British Empire, with over 30,000 men employed in the works, he explained. The town of Jamshedtur, with a population of about 100,000, was owned by the Steel Company; the houses, waterworks, plant, etc., being valued at about one hundred million gold dollars.

A trip was made to the United States every two or three years to keep in touch with developments, but the journey this time was partly to help the Government of India, said Mr. Ghandy.

Mr. Ghandy will probably fly back to India by C.N.A.C. plane via Rangoon, where he will be met by his own plane flown up from Jamshedtur. A large aerodrome with a complete ground staff and a fleet of planes is owned by the Steel Company, he said.

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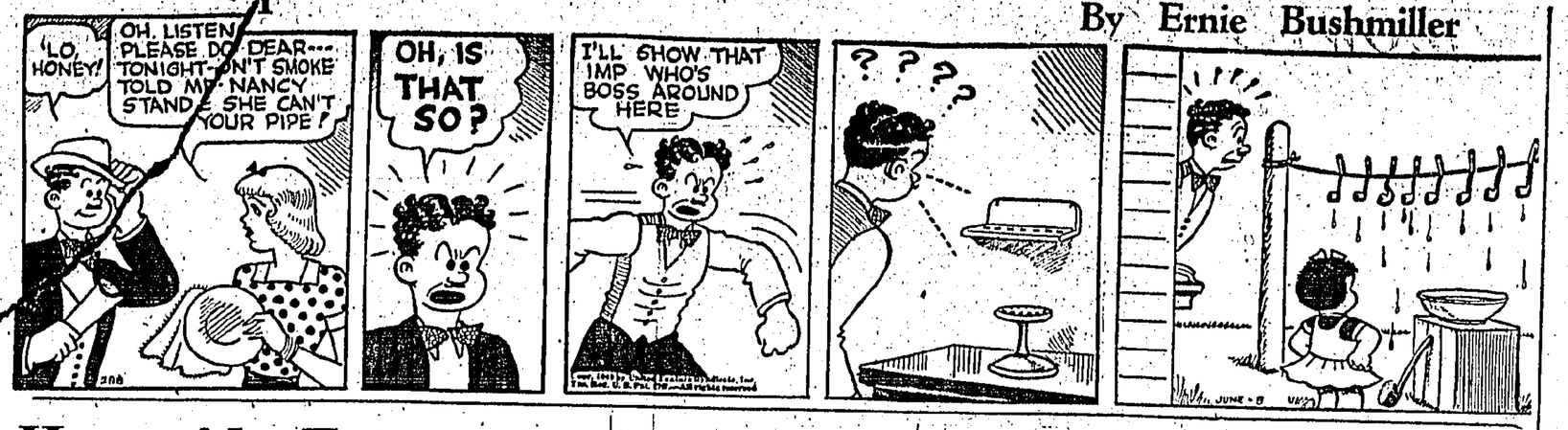
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NANCY

By Ernie Bushmiller



Homeside Evacuation
Discrimination Denied

LONDON, July 23 (Reuter).—A question on the overseas evacuation of children was raised in the House of Lords to-day by Lord Marley, replying to whom Lord Snell said that there was no discrimination in Government's scheme such as children of well-to-do parents getting to the Dominions and the United States while the children of poorer parents had no such advantages.

Some children had been sent away by parents at their own risk before the Government scheme was on foot. Government was not responsible for that nor did it make any provision for the journey. Unless it was contended that Government should have prohibited such an arrangement there was no case against Government on this point.

Situation Altered

Government could not foresee that when the scheme was launched that it would appeal to so large a proportion of parents. The situation had been altered by an unexpected number of applicants. So far there had been applications in respect of 175,000 children in state-aided schools and 16,580 children outside those schools.

These figures proved how little substance there was in the suggestion that there was some kind of social distinction in Government's scheme.

The postponement of the scheme was a matter of deepest disappointment. The Government could not spare naval vessels and were determined not to risk sending children without convoys. The situation might change and every opportunity was being watched.

May Offer U.S. Ships

LONDON, July 23 (Reuter).—Mr. Sol Bloom, Chairman of the House of Representatives Foreign Affairs Committee said yesterday that in connection with the proposed amendment of the United States Neutrality Bill which would allow British children to cross the Atlantic, in American ships, he believed that the proposal will have the approval of the State Department.

He is not sure whether or not it was advisable for the United States to take the risk, but if Germany and Italy would guarantee the safe passage of the ships carrying only refugee children, their guardians and their mothers, the United States might be willing to take a chance.

Conscription In U.S.A. Step Nearer

WASHINGTON, July 23 (Reuter).—A bill providing for compulsory military training has been approved by the Senate Military Committee.

The bill requires the registration of 42,000,000 men between the ages of 18 and 64. It is expected to reach the Senate next week.

A War Department spokesman said the system proposed under the Bill contemplated the actual training of about 1,500,000 men between the ages of 21 and 30 during the first year.

COMMUNIQUE ON DESERT WAR

CAIRO, July 23 (Reuter).—To-day's war communique states that on the evening of July 20 a patrol of the King's African Rifles intercepted and turned back a strong body of the enemy at Ajao, 50 miles southeast of Moyale.

On other fronts nothing of importance happened.

TRAWLER SUNK

LONDON, July 23 (Reuter).—The Admiralty announces that His Majesty's trawler Campina was sunk by enemy mine. Three survivors were landed safely but it is feared that the Commanding Officer and ten ratings have lost their lives.

BUDGET PLACIDLY RECEIVED
No Surprises, Little Criticism

LONDON, July 23 (Reuter).—No Chancellor of the Exchequer ever had a more placid assembly to address than that faced by Sir Kingsley Wood this afternoon, states "Reuter's" lobby correspondent.

There was no excitement before or during the speech. Members had simply assembled to hear what was necessary for the nation's unalterable purpose—to win the war.

The "Get your money ready" with which Sir Kingsley Wood was greeted when he began provided the keynote to the reception of the speech.

Ready For Anything

Members were ready for anything and were not going to make a fuss about it.

After the speech there were three comments. Firstly, that it was not as bad as expected; secondly, that it was pretty grim; thirdly, it was not sufficiently comprehensive.

The last criticism was heard after Sir John Simon's last budget, but Sir Kingsley Wood made it clear that this was merely an interim statement. He did not even attempt to strike a balance sheet. He simply presented his proposals and then said in effect: "It is as much as we can ask for at the moment. I shall be back later. Meanwhile save and give to the State."

Taken as a whole the proposals had a good reception. Everyone expected an increase in income tax and there was some relief that the proposal to increase the standard rate to 8/6d. was not more.

Increases in beer and tobacco were also expected. Some Members felt that more money could have been raised by lowering the income tax limits still further and by making the rate of 18s. in the £ apply to much lower incomes than those in excess of £20,000 a year.

Won't Become Nazi Puppet
Norwegian Govt. Supports King

LONDON, July 23 (Reuter).—A letter from the Norwegian Government in England, signed by the Prime Minister, M. Nygaardsvold, has been sent to the Presidential Board of the Storting in Norway with regard to plans to dethrone the King of Norway, remove the Norwegian Government, and establish in Norway a "State Council" under German control, which was recently discussed in Norway.

The letter says that the Government entirely agreed with the views expressed in the letter of King Haakon to the Board on July 3, declaring that the Storting, summoned during the occupation of Norway by foreign military forces, could not truly represent the will of the Norwegian people, and that it was an illusion to think that peace would be gained for the country by creating a government which collaborates with Germany.

New Zealanders Join Up Fast

WELLINGTON, July 23 (Reuter).—Enlistments in the New Zealand Expeditionary Force up to the close of the voluntary recruiting system yesterday totalled 59,044.

Mr. Jones, Minister of Defence, in announcing this, expressed the opinion that all would agree that the result was satisfactory.

Recruiting was accelerated during the closing stages of the voluntary system, the last day being a record.

Men are now available to provide the fourth and fifth contingents with reinforcements.

Reorganisation Of Allied Forces

LONDON, July 23 (Reuter).—In the House of Commons to-day, Mr. Anthony Eden, Secretary for War, stated that French, Polish, Czech, Dutch and Norwegian units were in the progress of re-organisation in Britain.

The Government greatly valued the aid these units would be able to give.

Steps were being taken to decide which of the men now interned could be discharged for enlistment in special companies of the Auxiliary Pioneer Corps.

Hungary's Claims
Hitler To Play His Usual Game

BUCHAREST, July 23 (Reuter).—The Prime Minister, M. Gigurti, and the Foreign Minister, M. Manoilescu, who have been invited to Salzburg on Friday, are expected to meet Hitler at lunch and to leave for Bucharest the same evening.

It is generally thought that the subject of the meeting will be Hungary's revisionist claims, and the outcome of the meeting is awaited with the greatest anxiety in informed quarters, which have little doubt that it will bring the Transylvanian issue to a head.

Rumania Incensed

The nature of the present Hungarian press and radio campaign has incensed Rumania and something like consternation has been caused by an article in the Budapest newspaper, "Pester Lloyd," on Sunday, strongly attacking the policy of the Rumanian Government.

The Budapest broadcast this morning alleged gross ill-treatment of Hungarian minorities in Transylvania and ended by declaring: "The fate of Rumania is sealed."

Political circles here are still confused over the division of interests in the Balkans between Russia and Germany. While it is generally assumed that Germany has for the moment resigned Rumania to the Soviet sphere, direct information from Berlin suggests that Hitler now wants clarification of the situation in south-east Europe before launching an offensive against Britain.

At the same time there are indications that Germany has underestimated the will for national liberty in the Balkans.

The Nazis are finding in Rumania stubborn resistance against even minor territorial cessions to Hungary.

Indian Army Growing
Thousands Of Recruits Rush To Join Up

SIMLA, July 23 (Reuter).—Thousands of recruits are enrolling as the advance guard of the "First Hundred Thousand" who, as the Commander-in-Chief, Sir Robert Cassels announced last May, will represent the response of India to the growing totalitarian menace to her security.

New formations comprise motorised and armoured units, infantry, artillery and specialised troops, besides quadrupling Indian aviation.

The increase is only the initial step, but it is noted that it represents an addition of several divisions to the field army, besides an increase in other formations.

STOCK EXCHANGE HOLDS FIRM

LONDON, July 23 (Reuter).—The Stock Exchange to-day was very firm despite the imminence of the Budget.

Gold-mining holdings continued to attract active buyers while home rails initially advanced but later reacted partially on profit-taking.

An early hesitancy in gilt-edged securities gave place to strength.

Industrials were firm, the leaders occasionally advancing.

A quiet demand carried some oil stocks higher.

Wall Street was steady.

Another 1,300,000 Ready For Nazis

LONDON, July 23 (Reuter).—In the House of Commons to-day, Mr. Anthony Eden, the Secretary for War, stated that the Local Defence Volunteers, hereafter to be called Home Guards, now exceeded 1,300,000 (Cheers).

Therefore it had been decided temporarily to suspend recruiting in the near future except in those districts where the strengths have not yet met immediate requirements.

The King Receives Mr. Churchill

LONDON, July 23 (Reuter).—His Majesty the King received Mr. Winston Churchill in audience at Buckingham Palace for half an hour to-night.

Air Chief Marshal Sir Cyril Newall, Chief of Air Staff, was also received in audience.

HEROES OF THE AIR
Decorations For Many Gallant Fliers

LONDON, July 23 (Reuter).—Two Distinguished Service Orders, 20 Distinguished Flying Crosses and 14 Distinguished Flying Medals are among the Air Force awards for gallantry and devotion to duty announced in the "London Gazette" to-night.

The Distinguished Service Orders are awarded to Squadron Leader James Kenneth Montague Drysdale and Flight Lieutenant David Christopher Yorke.

Brilliant Exploit

It is also announced that the Distinguished Flying Cross is awarded to Pilot Officer John Fraser Drummond, who, during operations in Norway, shot down two enemy aircraft and seriously damaged a further three.

On one occasion as pilot of one of two Hurricanes which attacked four Heinkel III's, he damaged one enemy aircraft and then engaged two others. He pressed home his attack despite heavy return fire, silenced the rear guns of both aircraft and compelled the Heinkels to break off the engagement.

The Negus At Khartoum
On Hand For Expected Ethiopian Revolt

CAIRO, July 23 (Reuter).—The British Government has placed a house in Khartoum at the disposal of Haile Selassie.

It is stated that the Emperor realises that the time is not yet ripe for him to enter Abyssinia, but he has expressed the strongest desire to be in the vicinity of his country in order to move instantly when a suitable occasion arises and to give immediate help to his people.

Ready To Revolt

The approaching rainy season in Abyssinia is likely to be dangerous for the Italians. Their military operations will be restricted, and with the prospect of liberation and the knowledge that their Emperor is close at hand, the tribesmen will lose no opportunity of extending the revolt which has already broken out in a number of districts.

CANADA'S WAR MACHINE

HALIFAX, July 23 (Reuter).—"Canada's war machine is going at full steam," declared Mr. Ralston, the Canadian Minister for Defence at a press conference to-day.

Mr. Ralston added that the response to the Canadian recruiting was even beyond expectations and the response by Canadians generally to the war effort was unstinted.

Revision Of Loose Talk Offences

LONDON, July 23 (Reuter).—Mr. Winston Churchill, making a statement on "silent columns", said in the House of Commons that he had asked the Home Secretary to have every sentence imposed by Courts for loose and defeatist talk carefully and immediately reviewed.

Mr. Churchill also stated that he had asked the Home Secretary to see that these sentences should be reduced or remitted wherever it was clear that there was no evil wish or systematic purpose to weaken the national defence effort by the persons concerned.

Provisional Czech Govt. Formed

LONDON, July 23 (Reuter).—In the House of Commons to-day, Mr. Winston Churchill announced that after negotiations between Lord Halifax and Dr. Benes on behalf of the Czecho-Slovakia National Committee, the British Government had decided to recognise the Committee, with certain additions, as the Provisional Czecho-Slovak Government.

Missing Sergeant Returns

Sergeant J. S. Burnett of the R.A.M.C., who has been "missing" for three weeks, is reported by the local police to have given himself up this morning.

It is reported that Sergeant Burnett returned to barracks and is now in the Military Hospital.

Crossword Puzzle

By LARS MORRIS

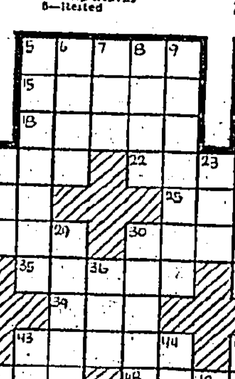
ACROSS

1—Weight (colloquial)
5—Whirling part
10—Roundish lumps
14—Wing-shaped
15—Best people
16—Date of death
17—Italian coin
18—French capital
19—Greater in number
20—Led brought up on farm
22—Make critical notes
24—Dance step
25—Opposite to weather side
26—Not as big
30—One who exacts satisfaction for wrong
34—Remove skin of
35—Compactly constructed
37—Dark-skinned foreigner (slang)
38—Organ of sight
39—Parcel of land
40—Syllable used in singing
41—Unaccompanied
43—One who yields
45—Young college woman (slang)
46—Surveyor's instrument
48—Frequented place
50—Dorothy
51—Dividend
52—Sister of Apollo
56—Believer in Jewish settlement of Palestine
60—Increase size of hole
61—Asiatic carnivore
62—Always
64—Prefix: against
65—Take out
66—East-Indian food
67—Flat, circular plate
68—Bird homes.
69—Frozen water

DOWN

1—Fifty percent
2—Charles Lamb
3—Welsh heavyweight boxer
4—Step heavily
5—Heated
6—Palm-leaves used for writing
7—French shooting-match
8—Situated near ear
9—Fixed determination
10—Express favorable opinion of
11—Musical instruments
12—Burden (Scottish)
13—Let it stand
21—Balance (abbr.)
23—Welsh astronomer (died 1926)
26—Wrote letters of, as work
27—Executive head of city
28—Circus ring
29—Are leased again
30—Combining form: star
31—Crocodile-like reptile (col.)
32—Aquatic bird
33—Avenues
36—Affirmative shake
42—Local disease
43—One owing allegiance to government
44—Speaks from memory
45—Diffident condition
47—Dish of fish
49—Nickname of Sault Ste. Marie canal
52—County in Roumania
53—Italian painter (died 1643)
54—Makes edging
55—Father
58—Keen enjoyment
57—Russian emperor
58—Lake in Russia
59—Suppose (archaic)
62—Low (French)

ANSWER TO PREVIOUS PUZZLE



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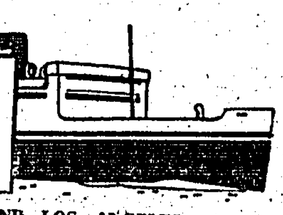
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FINAL EDITION

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BRITAIN'S ALL-TIME HIGH RECORD BUDGET

(SPECIAL TO THE "TELEGRAPH")

LONDON, JULY 23 (UP).—BRITAIN'S SECOND 1940 BUDGET HAS INCREASED INCOME TAX TO THE ALL-TIME RECORD OF 8s. 6d. IN THE £.

THE INITIAL £165 WILL BE TAXABLE AT THE RATE OF 5s. INSTEAD OF 4s. 3d.

SURTAX ON INCOMES EXCEEDING £2,000 WILL BE INCREASED FROM 1s. 3d. TO 2s. THE HIGHEST RATE OF 9s. 6d. SURTAX WILL BE APPLICABLE TO ALL INCOMES OVER £20,000.

TOBACCO WILL COST ANOTHER 2s. A POUND EXTRA.

Duty on estates over £10,000 will be increased to 10 per cent.

The higher income tax will increase receipts by £60,000,000 this year and £84,000,000 in the next full year.

Receipts from income tax and surtax will be £635,000,000 for a full year, which is more than the total revenue from all sources in the years before the 1914-18 war.

GET YOUR MONEY READY

LONDON, July 23 (Reuter).—Sir Kingsley Wood, Chancellor of the Exchequer, began his Budget speech in the House of Commons to-day at 3.20 p.m. G.M.T. to cries from the Opposition benches of "Get Your Money Ready."

The Chancellor said that in the April Budget, the total of £2,000,000,000 was given with all reserve as a provisional round figure for war expenditure during the current year. It was then stated that under the present conditions, any estimate made for so long ahead was bound to be largely in the nature of a guess.

The revised estimated war expenditure for the current year was £2,800,000,000.

The revised estimated excess of expenditure over revenue would be in the region of £2,200,000,000.

£40,000,000 A Week

The figure of £2,000,000,000, estimated in April for war expenditure, represented an average of £40,000,000 a week during the year. The rate of expenditure during recent weeks had been £50,000,000.

The latest figures showed that for the four weeks ended July 20, the rate was £57,000,000 a week.

With an increase of £800,000,000 in the estimated war expenditure, the total of all expenditure came to £3,467,000,000.

The excess of expenditure thus estimated over revenue would be in the region of £2,200,000,000.

Not So Alarming

While the gap between revenue and expenditure was formidable, it was not so alarming as at first sight might appear. "To meet that part of our expenditure paid overseas, we are able to a considerable extent to draw upon outside resources in three principal ways.

"Firstly, we can dispose overseas of gold which is the property of the Government and which other nations are ready to purchase.

"Secondly, we can dispose of securities which the Government has purchased from persons in this country.

"Thirdly, the Dominions and India are not spending the whole of the proceeds of our large expenditure upon their products but are allowing part of them to accumulate in the form of balances and other short term investments in this country."

Large Gap To Fill

The Chancellor said there was a large gap to fill which would require further considerations and continued efforts in the form of increased taxation and additional savings and behind this formidable problem there lay economic problems of fundamental importance.

One consequence of the huge expenditure, which the Government was incurring, was that the total money income of the community was on a balance higher than it was.

Continuing, Sir Kingsley Wood says it was the Government's intention to extend restrictions on normal supplies to traders. By this action they would enable manufacturers to maintain, and where possible, to extend the export trade which must

Turn to Page 2, Fourth Column

MEAL-TIME FOR THE EVACUEE CHILDREN



THE TWO PHOTOGRAPHS on this page were received by Clipper air mail last night. They were taken at Building No. 140, Fort McKinley, and show the evacuee children receiving their mid-day meal. Above the children line up at the tables with their tin plates, into which the food is ladled from the dixies. LEFT, another meal-time scene.

ULTIMATUM TO FINNS

Reds Order Complete Demobilisation

SPECIAL TO THE "TELEGRAPH"

STOCKHOLM, July 23 (UP).—According to reliable sources in the Swedish capital, Soviet Russia has presented a new ultimatum to Finland, demanding the immediate demobilisation of the Finnish Army.

It is reported that Finland has agreed to the ultimatum. Demobilisation is already in progress.

Several Finnish General Staff officers, including General von Franckel, the Director of Public Safety in Helsingfors, have arrived at Stockholm.

FRANCE'S EX-RULERS IN FLIGHT

SPECIAL TO THE "TELEGRAPH"

VICHY, July 23, (UP).—M. Daladier, M. Mandel and M. Delbos, who have been impeached by the Petain Government, fled from Bordeaux on June 20 aboard the steamer Massila.

Their present whereabouts are unknown.

Loss Of Citizenship

The Petain Government has ordered the withdrawal of French citizenship and the confiscation of all fortunes and property of French citizens who have left France since May 10.

This applies to the above-mentioned ex-Ministers.

Four other ex-Ministers and Deputies who left France will be tried by Court Martial in absentia for abandoning their posts after being mobilised into the French Army. They are M. Jean Zay, former Minister of Education, M. Paul Viennot, ex-Under Secretary for Foreign Affairs and M. Wilzer.



Another Dramatic Evacuation Development

AMAZING ALLEGATION BY AUSTRALIAN GOVT.

THE AMAZING allegation that the Hongkong Government has not kept the Australian Government informed of the evacuees situation, and that cables from Canberra, the Australian capital, have remained unanswered is contained in a "United Press" message received from Canberra this morning.

The message states that the Commonwealth Government has been unable to proceed with its plans for the reception of the Hongkong evacuees because of lack of information.

The Australian authorities are still awaiting information from Hongkong regarding the number and classification of evacuees, and the date of their departure from Hongkong and Manila.

"It is stated in Canberra that cables seeking information from Hongkong have remained unanswered," the "United Press" correspondent reported.

Official Reply

The Colonial Secretary, Hon. Mr. R. A. C. North, was informed of the

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Mr. T. J. Houston, who has been in Manila in connection with the evacuation, returned to Hongkong in a British liner this morning.

U.S. FLEET SAILS

SPECIAL TO THE "TELEGRAPH"

HONOLULU, July 23 (Domei).—A greater part of the U.S. Fleet which has been concentrated in the Hawaiian Waters has secretly weighed anchor in Pearl Harbour and Lahaina and departed for unknown destinations.

Particular significance is seen in the new fleet movements in view of recent return here from Washington of Admiral Richardson, the Commander-in-Chief of the U.S. Fleet. He had had important conversations with President Roosevelt.

SIMLA, July 23 (Reuter).—The Viceroy's War Purpose Fund now exceeds £760,000. Donations are pouring in from all quarters, ranging from a gift of over £11,000 a month from the Nizam of Hyderabad to fourpence from a railway porter.

Evacuation Vote Of $10,000

SPECIAL TO THE "TELEGRAPH"

Legislative Council will be asked to vote $10,000 as a "token vote" towards the cost of the Evacuation on Thursday.

An explanation of the item in the Message to the Finance Committee says it is not at present possible to estimate what the expenses in connection with the evacuation will amount to.

The vote comes under the item "War Expenditure."

RECENT RAINS COST HONGKONG $130,170

The recent heavy rains in the Colony caused damage to Government property to the extent of $130,170, it was revealed in a Government report to-day.

Most of the damage was caused to the Colony's roads, the cost of repair under this heading alone being $74,770.

Port Works were damaged to the extent of $30,000, buildings to the extent of $6,300, drainage $4,400, water works $13,500 and electrical works $1,200.

More Froth & Bubbles From German Press

"THE DIE IS CAST" BLARE NAZIS

SPECIAL TO THE "TELEGRAPH"

BERLIN, July 23, (UP).—"The Die is Cast", says the "Nachtausgabe", under a huge front page headline to-day.

"Lord Halifax has issued a new declaration of war against Germany.

"Fate will now take its course."

The entire German Press voices a chorus of angry tirade against Britain, the key of which is the repeated phrase "The Die is Cast."

The "Hamburger Fremdenblatt" says: "The German answer to Lord Halifax can now be given in the hard language of the German armed forces."

The "Boersen Zeitung" says: "England has decided in favour of a life and death struggle."

"Events will now take their course," says the "Lokalanzeiger."

Bitter Rome Comment

SPECIAL TO THE "TELEGRAPH"

ROME, July 23 (Domei).—Bitter criticism of Lord Halifax's speech is voiced by the Italian Press.

"Germany will reply to Britain's rejection of her peace offer by an intensification of air raids on British cities and towns," says Gayda, Mussolini's mouthpiece, in the "Giornale d'Italia."

"Britain is now completely isolated," he boasts.

"But Lord Halifax appeals to the fanaticism of the British and American peoples in an attempt to recover Britain's failures in policy."

Churchill Holds His Peace

LONDON, July 23 (UP). — Mr. Winston Churchill refused to be drawn to-night when he was asked in the House of Commons whether Britain would conduct air raids on Berlin and Rome if the Axis air forces bombed London.

"Nothing can be gained from answering questions of this nature," said the Premier.

"If the answer was in the negative it would remove a deterrent from the enemy. If it was in the affirmative it might spur him on to increase his preparations and the difficulties of our air-men."

COST OF COLONY'S DEFENCES

Big Appropriation Is Requested

First reading of a bill to authorise the appropriation of a supplementary sum of $2,484,991.47 to defray charges of the year 1939, and to appropriate $80,331.25 from the Waterworks Renewals and Improvements Fund in the same year, is to be moved by the Financial Secretary at to-morrow's Legislative Council meeting.

Most of the $2,484,991.47 is absorbed by Defence expenditure and charitable services.

The first-named requires $969,114.78, divided as follows: Hongkong Volunteer Defence Corps $312,-

Turn to Page 2, Seventh Column

LATEST

Likely Demands By Bulgaria

SOFIA, July 24 (Domei).—Informed political circles state that Premier Filoff and Foreign Minister Popoff of Bulgaria, visiting Germany at the German Government's invitation, will strongly demand the return of southern Dobrudja from Rumania and the return from Greece of Thrace in an attempt to find an outlet to the Aegean Sea.

See Back Page For Further Late News

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Small Packet Post to all countries is suspended.

OUTWARD MAIL TIMES

Registered and Parcel Mail are closed 15 minutes earlier than the time given below unless otherwise stated, and where mails are advertised to close at or before 9 a.m. registered and parcel mails are closed at 5 p.m. on the previous day. When mails are advertised to close after 5 p.m., Registered and Parcel mails are closed at 5 p.m.

INWARD MAILS

Haiphong and Hoihow July 24.
Shanghai and Amoy July 24.
Air Mail by "Imperial Airways Service" July 25.
Canton July 25.
London and Straits July 25.
Saigon July 25.
Sandakan July 25.
Japan July 26.
Manila July 26.
Shanghai July 26.
Shanghai July 26.
U.S.A., and Manila—(San Francisco date, 1st July) July 26.
Canton July 27.
Japan and Shanghai July 27.
Shanghai July 27.
Shanghai July 27.
Haiphong, Hoihow and Fort Bayard July 28.
Japan and Manila July 28.
Shanghai and Amoy July 28.

OUTWARD MAILS

Wednesday, July 24

Manila and Batavia 7.00 p.m.

Thursday, July 25

Shanghai 8.30 a.m.
Sandakan Noon.
Shanghai 12.30 p.m.
Shanghai and parcels only for Tien-Fort Bayard 12.30 p.m.
Swatow and Parcels only for Tientsin 1 p.m.
Amoy 7.00 p.m.

Friday, July 26

Shanghai and Parcels only for Tientsin 9.30 a.m.
Fort Bayard, Hoihow and Haiphong. 10.00 a.m.
Haiphong 2 p.m.
Manila, Australia and New Zealand via Thursday Island.
G. P. O. and K. P. O.
Reg. July 26, 2.45 p.m.
Ord. July 26, 3.30 p.m.
Straits, Ceylon, India, East and South Africa, and United Kingdom
K.P.O.
Parcels 3.00 p.m.
Reg. 5.00 p.m.
Ord. 5.30 p.m.
G.P.O.
Parcels 3.00 p.m.
Reg. 5.00 p.m.
Ord. 7.00 p.m.
Calcutta
Parcels 5 p.m.
Letters 7 p.m.
U.S.A., C. and S. America, Canada and *United-Kingdom via San Francisco (No Parcels for Canada).
G. P. O. and K. P. O.
Parcels July 26, 5 p.m.
Reg., ...July 27, 9.45 a.m.
Ord., ...July 27, 10.30 a.m.

Saturday, July 27

Shanghai 1 p.m.
Straits, Rangoon and Calcutta 3.30 p.m.
Air Mail for "Imperial Airways-Service" to Durban and thence by Sea Service to United-Kingdom.
G.P.O. & K.P.O.
Reg., ...July 27, 5 p.m.
Ord., ...July 27, 5.30 p.m.
Manila, Australia and New Zealand via Thursday Island
G.P.O. and K.P.O.
Parcels July 27, 5 p.m.
Reg. July 27, 5 p.m.
Ord. July 27, 5.30 p.m.
Canton 5.30 p.m.

Monday, July 29

Amoy and Shanghai 8.30 a.m.
Haiphong Noon.
Straits, Ceylon, India, E. and South Africa, Lisbon and United-Kingdom.
G. P. O. and K. P. O.
Reg., ...July 29, 2.45 p.m.
Ord. July 29, 3.30 p.m.
***Superscribed Correspondence Only.**

WAR RISK RATES ADVANCED

SPECIAL TO THE "TELEGRAPH"

NEW YORK, July 23 (UP).—Marine underwriters announce that insurance rates on shipments to and from the Far East under the flags of any nation other than the United States will be advanced from two to three per cent.

The increase does not apply to tonnage to the Philippines, Japan, Burma or ports in the West Indies via the Panama Canal.

NEW ADVERTISEMENTS.

HONGKONG TRAMWAYS, LIMITED

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an INTERIM DIVIDEND of Fifty (50) cents per Share has been declared payable on WEDNESDAY, 14th AUGUST next, on and after which date Dividend Warrants may be obtained upon application at the Registered Office of the Company, Canal Road East, Hongkong.

NOTICE IS HEREBY ALSO GIVEN that the REGISTER of MEMBERS of the Company will be closed from WEDNESDAY, 31st JULY, to WEDNESDAY, 14th AUGUST, 1940, both days inclusive.

By Order of the Board,
W. F. SIMMONS,
Secretary.

Hongkong, 22nd July, 1940.

IMMEDIATE DISPOSAL —SACRIFICE

CONTENTS of fully furnished flat—consisting of Super Quality Peking Rugs, Oil Paintings—complete crystal sets from finger bowls to liqueur glasses—Bronze Figures — Blackwood — all furniture made by Lane, Crawford's—Radio, 1940—Refrigerator, 1940—Chinaware—Silverware by Mappin & Webb—cost owner over $10,000 less than six months ago. Must sell at sacrifice.

Apply 25 Blue Pool Road, Top Floor, from 2—5 p.m.

FOR THE PROTECTION OF CHILDREN

What to do to help a child

Anyone knowing of a child who has been assaulted, neglected, or ill-treated in a manner likely to cause unnecessary suffering or injury to health, or knowing of a parent who is seeking advice on any matter concerning a child, would be doing an act of kindness by communicating at once with—

The Hon. General Secretary, H.K.S.P.C., Old City Hall.

The Inspector, 49, Pokfulam Road, 1st floor.

The Inspector, 62 Stone Nullah Lane, 2nd. Floor.

The Inspector, 12, Sai Yeung Choi St., Kowloon.

The Inspector, 52, Argyle St., Kowloon.

All further steps will be taken, and expenses borne, by the Society.

The Informant's name will be kept strictly private, except in cases where malice is proved.

STOCK MARKET REPORT

Hongkong Stock Exchange Official Summary issued yesterday says:

Market continues steady and with a continuation of enquiries but there is still a pronounced dearth of scrip.

Buyers

Union Insurances $340
Docks (Old) $15.50
Docks (New) $15
Providents $3.75
Lands $31.50
Trams $15.40
China Lights (Old) $0.40
Electrics (Old) $36.50
Cements $14.25
Watsons $8.40

Sellers

H.K. Banks $1,200
Hotels $3.75
Telephones (Old) $22.50

Sales

Yaumati Ferries $21
Electrics (Old) $37
Electrics (New) $35.50
Telephones (Old) $22.25
Dairy Farms $18.15
Watsons $8.60



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BUDGET REACTIONS

"Financial Times" Comment

LONDON, July 24 (Reuter).—The "Financial Times" considers the Budget well adjusted to obtain increasing response from a community solidly united to pledge all its resources for victory.

"After an over-prolonged spell of fiscal confusion and uncertainty, the city and nation will welcome the clarity with which the Chancellor has endowed his Budget in two essential respects.

"Firstly, alterations of the existing tax structure are as straightforward as they are drastic.

Maximum Saving

"Secondly, insistence on the necessity of maximum saving and lending to the nation, increasing the proceeds of the intense national effort (exporting is rightly emphasised), in the clearest possible warning that only in that way can a much heavier taxation be avoided."

The "Financial News" says: "There is only too good reason to conclude that if this is all the Treasury can do by way of emergency financing, we shall certainly have inflation by the front door."

The paper adds that the Chancellor has only himself to blame if his critics mistakenly read his first effort as an omen. "He may intend to do more next time. But the time to set about his task in grim earnest is now. Wars are not financed by to-morrows and might-have-beens."

AMAZING ALLEGATION

→ FROM PAGE ONE

contents of the "United Press" message.

Mr. North said: "There appears to be some mistake. If it is meant that we have not given the Australian Government detailed information regarding the number of persons proceeding to Australia and the date of their departure that is true.

"We cannot give such detailed information until we know ourselves.

"The information will be sent to Australia before the ships leave Hongkong and Manila, thus giving the Australian Government two to three weeks to prepare for the reception of the evacuees."

Manila Complaints

Mr. North was asked if he has seen the report published this morning regarding the bitter complaints that have been received by husbands of certain evacuees.

"I have not yet seen the report in question," he said.

The "Telegraph" understands that serious allegations regarding the conditions suffered by some of the evacuated wives and children have been made in a letter forwarded by a group of Hongkong residents to the Hon. Attorney General.

The people in question are understood to be demanding the return of their families to Hongkong.

Serious allegations of racial discrimination are made.

It is understood that one or two of the husbands concerned have sought legal advice.

BRITAIN'S RECORD BUDGET

→ FROM PAGE ONE

be regarded as a vital part of the war effort.

"There must be increased direct and indirect taxation. It is evident that further taxation on the largest scale possible and covering as wide a field as possible is imperative.

Ready Response Anticipated

"It is also equally plain that we cannot expect to raise by taxation at once and with one Budget so quickly following another all the sums that will have to come still further from this source. There are severe limits at any rate on certain means of obtaining new revenue.

"Income tax five years ago was at the standard rate of 4s. 6d and yielded roughly £200,000,000. To-day the estimate yield is £525,000,000. In the present circumstances I must ask for further contribution from the direct tax-payer and I believe he will readily respond (Laughter and Cheers).

"I propose to increase the standard rate of income tax for the whole of the current year to 8s. 6d. and with this increase, I propose to alter the rate on the tax that is charged on the first £160 on a tax-payer's income. The rate chargeable in this zone of income is at present half the standard rate and with the increase of the standard rate to 8s. 6d. the reduced rate should automatically rise to four shillings and three pence.

"I propose that this reduced rate should be increased to five shillings in the pound.

"Increase in income tax would produce in a full year £84,000,000 and in this year £60,000,000."

Surtax Increases

The Chancellor announced increases in the scales of surtax under which the rate of the first slice of income in excess of £2,000 would be increased from 1s. 3d. to 2s. in the pound would come into force in respect of incomes in excess of £20,000 instead of £30,000 as at present.

This increase was estimated to produce £11,000,000 in a full year and £8,000,000 in this year.

On incomes in excess of £20,000 a year, the State would take nine-tenths of every pound.

The result of the increase of income tax and surtax would be £639,000,000 for a full year compared with £290,000,000 which was produced five years ago.

Sir Kingsley Wood announced a further increase of 10 per cent. on estate duty which would produce about £6,000,000 in a full year and £1,000,000 in the current year.

Difficult Task

Remarking that the task of finding enough money to pay income tax in two six-monthly instalments was becoming increasingly difficult, the Chancellor announced an extension of the principle of deduction at the source to the whole range of salary and wage earners from the manual labourer to the company director.

The Chancellor believed that the only satisfactory and workable method of collecting income tax was deduction at the source month by month and week by week. We appealed to employers to give their co-operation in this task.

The Chancellor then announced an increase in beer duty of a penny per pint with an additional yield of £13,000,000.

Tobacco duty would also be increased by a further two shillings per pound, representing an additional yield of £9,000,000 for a full year and £6,000,000 for this. The stabilised preference on Empire tobacco would be maintained.

Wines also must contribute as from to-morrow, added the Chancellor. The increase on light wine would be two shillings and a penny per gallon and on heavy wines four shillings, making duty on light wines 8s. per gallon and on heavy wine 16s. per gallon.

Preference for wines from the Dominions and colonies would be maintained.

Duty on entertainment would also be increased to produce an estimated additional revenue of £4,000,000 in a full year.

The Net Result

These proposals in the sphere of direct and indirect taxation as a whole would give him £86,000,000 in the current year and £129,000,000 in a full year.

The Chancellor indicated that the purchase tax as now outlined would involve a reduction in the amount the Exchequer would receive under the original proposals. The Exchequer would secure a substantial sum in a full year of approximately £110,000,000.

The present Budget would thus provide in a full year a further sum of £239,000,000.

The April Budget imposed new charges of £128,000,000, making in all an additional sum of £367,000,000 imposed in the last three months, excluding £40,000,000 in connection with excess profit tax.

War Savings

Remarking that already over £300,000,000 had been raised on the three per cent. war bonds, £250,000,000 on the sale of saving certificates and defence bonds, and £110,000,000 by the 2½ per cent. war bonds, the Chancellor said that the success of these saving efforts led him to believe that the task of filling the gap between expenditure and revenue was by no means unmanageable. The financial problems that faced the country were undoubtedly many and difficult, but they could have full confidence that they were by no means unsurmountable.

"We have many resources and on our determination and capacity to use them to our utmost, there can be no doubt. As in the field of war, so in the vital areas of national finance, we are determined to continue on our course unceasingly and at any sacrifice until victory has been achieved." (Loud Cheers).

Opposition Agreement

Speaking for the Labour Party, Mr. H. Lees-Smith said he took the increased expenditure as an example of increased vigour in administration and increase in the production of war machines.

He added: "The Nazi system produces poor human quality. When our production of machines is so developed that we can meet the Nazi power man to man on equal terms, then this war will begin to be won.

"I believe the Chancellor can carry the limits of taxation to the limit of human endurance. Never has any country had such a responsibility as rests upon us in the next few months. I believe the country is willing to rise to that responsibility and accept a self-sacrifice it did not even contemplate a few months ago."

Sir Percy Harris agreed that the country was ready to bear any burden to secure victory, for, he said, the alternative meant bondage.

CINCINNATI HUMBLE BROOKLYN TWICE

NEW YORK, July 23, (Reuter).—Features of the major baseball programme to-day were the double defeat of the Brooklyn Dodgers by the Cincinnati Reds in the National Circuit, and the humbling of the Detroit Tigers by the Washington Senators in the American League.

Scores were:

NATIONAL LEAGUE

	R.	H.	E.
Cincinnati	4	6	0
Brooklyn	3	10	4
(Eleven innings were played).			
Cincinnati	9	17	0
Brooklyn	2	7	2
(Weber homered for the Reds, and Lavagetto for the Dodgers)			
Chicago	6	11	0
Boston	1	8	2
St. Louis	7	14	3
Philadelphia	3	9	2

AMERICAN LEAGUE

	R.	H.	E.
Boston	7	12	1
Chicago	8	15	3
(Solters homered twice for the White Sox)			
Washington	6	14	3
Detroit	3	7	0
(Bartell and York homered for the Tigers)			

Exchange At A Glance

SELLING

T.T. London	1/2⅞
Demand London	1/2⅞
T.T. Shanghai	30⅝
T.T. Singapore	52¾
T.T. Japan	07½
T.T. India	02½
T.T. U.S.A.	23
T.T. Manila	46
T.T. Batavia	43
T.T. Bangkok	140½
T.T. Saigon	108
T.T. France	Nom.
T.T. Switzerland	99
T.T. Australia	1/04½

BUYING

4 m/s L/C London	1/3⅛
4 m/s D/P London	1/3⅝
4 m/s L/C U.S.A.	24⅝
4 m/s France	Nom.
30 d/s India	84½
U.S. Cross rate in London	4.02½
U.S. Cross rate in N.Y.	3.81½

Gunner Found Guilty

Used Insubordinate Language

At the resumed District Court Martial held at Stanley Barracks this morning, Gunner E. E. Milsom was found guilty on charges of using insubordinate language to a superior officer, Flt. Lieut. McGovern, and attempting to strike him, and three other charges of using insubordinate language to superior officers.

Sentence will be promulgated in due course.

Major L. J. C. Loch, Kumaon Rifles, was President of the Court and the other members were Capt. W. H. Beaman, R.A., and Lieut. B. G. W. Yeatman, R.A., The Prosecuting Officer was Lieut. P. J. T. Skipwith, R.A., and the Defending Officer Capt. D. R. G. M. Graham, R.A.

Another Case Opens

Gunner W. H. Davis was then brought before the Court on five charges, to which he pleaded "Not Guilty."

The case is proceeding.

The charges against Milsom and Davis arose from an incident in the bar of the Peninsula Hotel on July 7 and their removal by the Military Police to the Nanking Barracks, Shamshuipo.

Internment Mistakes

Sir John Anderson's Admission

LONDON, July 23 (Reuter).—In the House of Commons to-day, the Home Secretary, Sir John Anderson, admitted that "cases of mistakes were made in interpreting internment instructions."

Sir John added that it was clear that a further examination would be likely to disclose in a number of cases circumstances justifying the release of individuals interned.

Early Rectification

Any mistakes must be rectified with the least possible delay. Consideration must also be given to enlarging the categories of exemption to include particularly those who could render services of special value or make a significant contribution to the war effort.

He announced the appointment of a small advisory committee to assist him in this matter.

COST OF DEFENCES

→ FROM PAGE ONE

111.22, Hongkong Naval Volunteer Force $148,711.91, and Air Raid Precautions $508,291.65.

It is interesting to note that if the appropriations are approved, the Colony will have spent $1,675,110 on its three defence forces during 1939, in addition to the Defence Contribution, the approved estimate of which for last year was $7,097,698.

Charitable services require no less than $725,278.00.

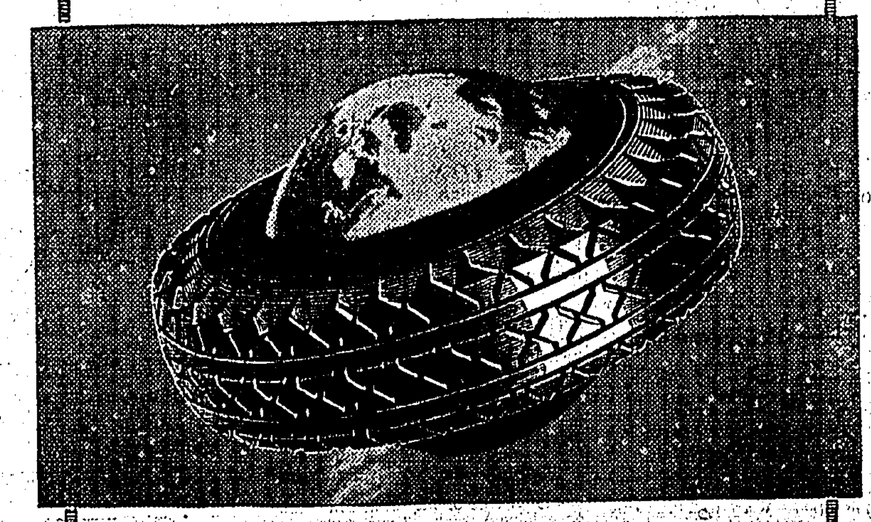
Other important items in this supplementary expenditure are $383,972.06 for Stores Department, $137,937 for the Police Force and $128,861 for Public Works Extraordinary.

REFUGEE CHILDREN

A number of older girls at the King's Park Refugee Camp are busily engaged in making up material into overalls. This is the result of a gift of material, valued at $571.40, from the Kwangtung Refugees Relief Association.

Not only overalls, but also tunics are being made out of the material supplied for the 50 children who were recently transferred to the Camp from the Po Leung Kuk.

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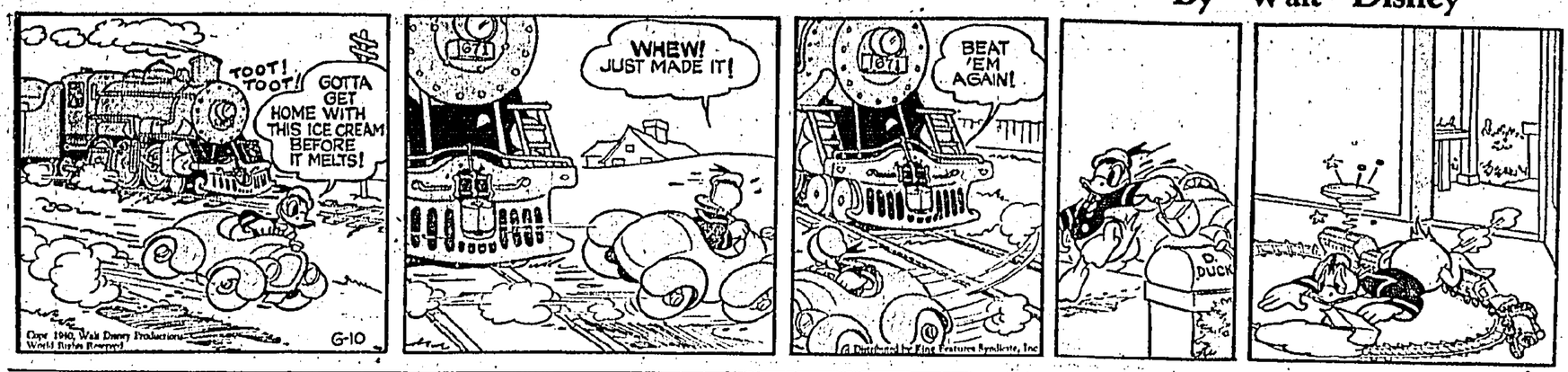
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MAGAZINE PAGE

THE FLY: Telegraph Short Story Reading Time: 4 minutes

By Estelle Cliffe

"DAMN that noisy fly, I must swat him," said Stanton jumping up to get a newspaper, as a big blowfly blundered on to the window.

"Oh! I don't know," said his companion. "I never kill them, I have a kindly feeling for them. A fly once saved my life."

"Saved your life, you're joking, Wiltshire," said Stanton.

"Joking nothing," said the big detective. Wiltshire held a high position at the "Yard" and had had an adventurous life, as his friend knew.

"Aha! there's a story behind that. Come on, out with it, there's just time for a yarn before my wife comes and hauls me off to a party."

Wiltshire smiled with a far away look in his eyes. "Yes, it's a good story, but an old one now."

Stanton settled himself in his chair, knowing by experience that left to himself the detective would talk freely.

"It's a good many years ago," he began. "I was young in the Service, and mad keen on my job. There had been a series of robberies, all cleverly planned and carried out, big hauls of loot, and the police hadn't a thing to go on.

"The thieves were too clever to leave a scrap of evidence against themselves. I was working under Wetherby—you remember him? A clever chap, but expected a lot from his men. I had caught it hot from him for not getting a line on things. This put me on my mettle, I am afraid I did some rather unorthodox stunts to get information. I came to the conclusion that the whole thing was planned by one brain, and carried out by experts in their own line.

"I won't go into all the details how I got the information, but by hanging about low pubs, hearing a word here and there, and generally putting two and two together, I found out where the gang hung out. Being young and cocky, I determined to get into that house, and not say a word about it till I had proof that I was right.

"Well, I got into it and hid in an empty cupboard. Lord, what a fool I was, I was sure I had been too much for the clever scoundrels. Sure enough, they came in, and I had them under my eye, and what an 'eyeful.'

"They had evidently heard that we were on their trail and were getting out while the going was good.

"There were three men and the boss. A white-faced, white-haired bloke, with pale eyes and no eyelashes. Gave me the shivers to look at him. He was giving directions and had got everything worked out.

"They were all going by different routes to the Continent with passports all in order, ready to show a clean pair of heels.

"As I listened, I cursed myself for not saying at the office where I was going. Nobody knew where I was and I was helpless. The only way out was through that room.

"In my anxiety to see more, I made a rash move and the door rattled. In a moment the man had whipped round with a gun in his hand.

"'Who's in there?' he snarled, 'open the door and come out, before I put a bullet through it.

"There was nothing else to do, so I stepped out as coolly as I could.

"'Well, I'm blessed if it isn't our dear friend from the Yard who has been snooping round. You've come at a very awkward moment, I'm afraid I can't stop to entertain you. Now what shall I do with you? Better not kill, might be a mistake.' His cold eyes glared at me. 'I'll think of something. Hurry up, you fellows.' Here he gave some final direction, as if I was of no further account.

"He suddenly snapped his fingers. 'I've got it, I know how to keep you quiet. Johns, pull that couch up here and get me some rope. Now, my friend,' he turned on me with a snarl. 'Lie down and quick, before I change my mind and put you out for keeps.'

"In a moment I was lying bound on the couch, I smiled to myself, I could easily get out of that tie up. I smiled too soon.

"I watched with surprise as he fetched a bottle and glass. Was I to be doped? Then he found a small piece of cardboard.

"'A neat little plan,' he grinned, 'and worthy of my reputation.' The white face looked devilish as he stopped over me. He placed the card on my chest and poured a full glass from the bottle. It was then I saw the label on that bottle. 'VITRIOL.' God! what was he going to do?

"The thin smile never left his lips. 'Nasty, what? But only if you move,' he explained, as he stood the glass carefully on the card. 'One struggle and that will be over your face. Now, boys, he's fixed, off you go.'

"In a few minutes they were all gone, and I was left to my thoughts. If only I dared move, I could make the scoop of my life. Believe me, Stanton, I funked it. One movement and that awful stuff would spill and land—where? I dared scarcely breathe when I thought of it. It was then I began to notice the buzzing of a big fly about the silent room. The noise got maddening after a bit, as I lay there helpless wondering what would happen, and if I should be discovered! Presently the fly began to hover round as if attracted by something, and finally settled on the glass by my face.

"'Ah! my friend, one sip of that and you're for it,' I said aloud. Taking no notice of me, the fly moved up to the glass in that dawdling way flies have. He'll soon find out his mistake, I thought.

"But no, moving slowly up the glass, he stopped on the rim. Then he began to move down the inside. Then he started to taste the stuff. I expected to see him fall dead. He lapped up the supposed vitriol with every sign of enjoyment.

"It was a minute or two before I realised what it meant, and then I flung myself off that couch in a cold fury. Fooled by that damn crook, a grim fake that might have succeeded in keeping me there indefinitely but for that fly.

"The rest of the story was told in court and, with my information, we rounded up the whole gang.

"I expect you remember the case; anyhow it made my name and I have always had a pally feeling for a fly since then."

The HUSBAND'S No. 2 FRIEND

At tea time when a little nourishment is indicated the egg drinks are in order. Here is a popular swizzle:

1 ounce of gin
white of one egg
juice of half a lime
sugar to taste, ice and shake and serve in tall glass.

Even The Russian Can Raise A Laugh

By A. G. LANDAU

SOVIET RUSSIA is not exactly a cheerful place. The people are too earnest, too much regimented, and too consciously collectivised to allow much for light-hearted frivolity.

It might be a good thing, indeed, if they appointed a Commissar-General for Cheerfulness and Irreverent Jests.

Yet, now and again, there peeps out signs of a somewhat gloomy sense of humour. There are jokes, and they are bandied about like naughty deeds in a good world.

Here are a few of them. Before I relate them, however, let me inform you that my frequent visits to Russia were made to the more sovietised centres. The U.S.S.R. is a very big place, inhabited by many different races and many kinds of people. It would be foolish and dangerous of me to generalise and say that these anecdotes were common to the whole country. Let us proceed.

TO emphasise their loyalty towards Stalin all Russian communities are expected to show at the November festivals some "achievement" of the economic or cultural type, such as a new factory, school, or a workers' club. Such an "achievement" is called a "gift for Stalin." The story goes that a small Siberian township decided to show its loyalty on the cultural line," and it built a crematorium.

The inauguration of this important "gift" was fixed for the first day of the November festivals (the seventh). But as it happened, there were no dead people to be disposed of at this time. The committee, however, was lucky enough to find on the outskirts of the township an old beggar, apparently frozen to death by the early Siberian winter.

The funeral was held with all the ceremony suitable for such an occasion, and the "corpse" was delivered to the flames. Whether the builders of the crematorium had made a mistake, or for some other reason, the fire burnt very slowly. After two hours of waiting the officials decided that it was time to collect the ashes and to make sure, one of them opened the small window to the furnace.

"Shut that window!" shouted an angry voice from inside, "do you want me to catch a cold in the draught?"

INAUGURATING the first Five Year Plan, Stalin proclaimed that his aim was to achieve a much higher standard of living than in any capitalist country. "We shall overtake and outrun them," he announced.

"To overtake and to outrun" ("dognat i peregnat)" became a daily slogan.)

"What do you think of 'to overtake and to outrun?'" an old Russian was asked. I don't care for this," was his reply, "my slogan is to live to see and to outlive."

When by the end of 1932 food became scarce in Moscow, and clothing and shoes were not available at all, it happened that because of the good fruit harvest in the south the people in Moscow got fruit instead of bread.

"How do you do?" I said once to a Russian official, who was an acquaintance of mine.

"Oh, splendid," answered he. "The true Paradise has been finally reached. We're going about naked and eating apples."

LET us conclude by the following story:—

The mummy of Lenin was solemnly conveyed to the magnificent "Lenin Mausoleum" on the Red Square in Moscow. A large crowd gathered around to watch the ceremony performed by the highest Soviet officials. One of them remarked an old peasant woman standing in the first row of the crowd and crying bitterly.

Touched by such a devotion of a simple woman, the high commissar approached her and said:

"Don't cry, little mother. Lenin is dead, but his work—communism—lives on!"

"Oh, little father," sobbed the woman, "that's what I'm crying about!"

These trips to the moon are just MOONSHINE

PROFESSOR A. D. ROSS, of the University of West Australia, has been talking about how one could journey to the moon in a rocket ship. The ship would weigh 5020 tons in all.

But I should imagine that there would be a fairly loud bang when the first rocket went off to lift the 5020 tons. The jolt, too, would probably give you a pain in the neck for the duration of the trip.

The professor adds, as an afterthought, that getting back to earth again presents a serious problem. I suppose you'd just have to jump and risk jarring your ankles when you hit the earth.

Anyone who has actually thought up methods of going to the moon must be in a pretty bad way financially or domestically.

Also it seems that if the rocket missed its mark it may wander aimlessly through space for all eternity.

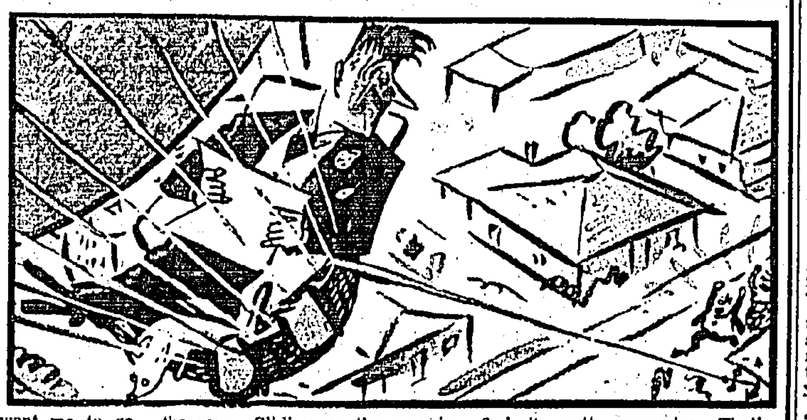
Now that would be monotonous, don't you think? Especially if you had nothing to read.

I don't believe in rocket-ships. By the time you'd lit the fuse the thing would be off, and there you'd be either hanging on to the outside of it or left on the ground. In either case you'd, look an awful goat.

Balloons are different. I simply love travelling in balloons. I have not been up lately as my own balloon is slightly perished on one side, but I advise those who can afford it to invest in a balloon.

Being somewhat despondent, I had almost made up my mind to take a trip to the moon.

But on second thoughts I changed my mind. Nothing unusual in that, of course. It was due for it. Anyhow, I have nothing in common with the Man in the Moon.



You can always get back to earth again simply by setting fire to the balloon. In this way it is far superior to a rocket ship.

The last time I went up was in June, if I remember rightly. There was a bit of a row on at home, on account of my bringing visitors home at three o'clock in the morning and starting the pianola and one thing and another.

Some women are most unreasonable!

Anyhow, after a few remarks had been bandied back and forth, I decided that the balloon was the best place.

So I hastily cut a few sandwiches, filled my thermos flask and embarked.

My wife clung madly to the gondola of the balloon, not because she didn't want me to go, but because she hadn't finished what she wanted to say.

I emptied a few bags of sand over her and lightened the weight on the balloon and slowly soared aloft. Birds fluttered about me as I opened my packet of sandwiches.

Meantime I could see the wife below gnashing her teeth and the landlord coming down the street arm-in-arm with the bailiff.

After reaching a height of ten thousand feet I threw out the anchor and stopped for lunch. One has to be careful when anchoring a balloon. Once my anchor caught on the top of a picture theatre and in lugging at the rope to disconnect the anchor, I tore the roof off the theatre. There was quite a lot of trouble about that.

It is always best to have an anchor because, if necessary, one can reach the earth by sliding down the rope. Sliding up the rope is somewhat more difficult.

I hear a remark from the back of the hall about the rarefied air at great altitudes. Well, this has never worried me in my ascents. Anyone who can stand the atmosphere in the smokeroom of my club can stand anything.

The only trouble about my balloon is that there is so little space. For instance, in the basket attached to my balloon there is no room for a billiard-table. Still, one gets used to such hardships after a time.

By the way, I forgot to mention that apart from the five thousand and twenty tons weight of Professor Ross' rocket ship it would be necessary to carry four thousand four hundred and sixty tons of liquid oxygen and hydrogen as fuel.

It would seem that future travellers to the moon are going to find it pretty expensive. That's why I'm all for balloons.

Mind you, the upkeep of a balloon is something to reckon with. You've got to tear a hole in it in order to get it down and then it comes down with such a terrific smash that it's hardly recognisable.

Not only that, but you get your clothes dirty on landing, and have to disentangle yourself from ropes and things.

It will be seen that I am not rabidly intense on balloons and, so far as I'm concerned, you can travel in trams for the rest of your life.

I don't want to rush you into buying a balloon just to have you come wingeing and complaining to me about it later.

I just want to warn you off rocket ships.

Don't touch them! Their trade-in value is negligible. Buy a bicycle!

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12.15 p.m. Short Service of Intercession.

12.30 **Max Bruch—Concerto No. 1 in G Minor, Op. 26.**
Master Yehudi Menuhin (Violin) and the London Symphony Orchestra conducted by Sir Landon Ronald.

1.00 Local Time Signal and Weather Report.

1.03 **Dance Music by Maurice Winnick and His Orchestra.**

1.30 Reuter and Rugby Press, Weather Forecast and Announcements.

1.45 **Cicely Courtneidge and Jack Hulbert in Variety.**

2.15 Close Down.

6.00 **Rachmaninoff — Symphony No. 2 in E Minor, Op. 27.**
Eugene Ormandy and the Minneapolis Symphony Orchestra.

6.48 Closing Local Stock Quotations.

6.50 **Songs by Beniamino Gigli (Tenor).**

7.04 **J. H. Squire Celeste Octet and Rose Hampton (Contralto).**
A Venetian Barcarolle—Serenade (arr. Willoughby); When I Bring to You Colour'd Toys (from 'Gitanjali'); Memories of Chopin (arr. Willoughby); Light, My Light (from 'Gitanjali'); Operatica (Famous Operatic Melodies).

7.30 **London Relay—The News.**

8.00 Local Time Signal, Weather Report and Announcements.

8.03 **Studio—Farewell Piano Recital by Nura Kanis.**
1. Variations on Russian Folk Dance (Beethoven); 2. 1st Arabesque (Debussy); 3. 2nd Arabesque (Debussy); 4. Cordoba (Albeniz).

8.23 **Light Orchestral Selections.**

8.45 **Rossini—William Tell—Ballet Music.**

9.00 **London Relay—The News.**

9.30 **London Relay—"Matters of Moment."**

9.45 **B. B. C. Recording—"Poor Polly."**

10.00 **"Please Teacher."**
Musical Comedy with Bobby Howes and Compnny.

10.17 **Dance Music.**

11.00. Close Down.

STRONG CHINESE OFFENSIVE

Retake Cities On The Coast

CHUNGKING, July 24 (Reuter).—Contradicting the Japanese announcement of withdrawal of troops from Chinhai, the Chinese claim that Japanese troops landed at Chinhai (Chekiang) and Santuao (Fukien) have been driven back to their ships after vigorous Chinese counter-attacks.

Chinese field dispatches from the Chekiang front says that Chinese troops, after capturing strategic points north and south of Chinhai, launched an attack on July 21 on Chinhai despite heavy Japanese naval bombardments.

Chinhai Occupied

The Chinese claim to have completely occupied Chinhai at 3 a.m. yesterday.

Meanwhile the Japanese landed troops at Santuao yesterday morning and again at noon under cover of naval and aerial bombardment, but they were driven back to their ships yesterday afternoon.

The Chinese state that Chinhai and Santuao are at present cleared of Japanese troops.

KENYA'S HIGHER INCOME TAX

LONDON, July 23 (Reuter).—A message from Nairobi says that an income tax amendment bill will be introduced into the Kenya Legislature which will bring many people with smaller incomes within the scope of taxation and will increase the payments of those in higher income branches.

The maximum tax will be 10s. in the pound. The tax free limit will be about £200 a year and family allowances will be greatly reduced.

Subscriptions to Kenya's War Purposes Fund are rolling in by the thousands weekly. The Government has just sent a second donation of £20,000 to the Chancellor of the Exchequer.

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Hankow		

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DALADIER TO BE INDICTED

SPECIAL TO THE "TELEGRAPH"

VICHY, July 23 (UP).—The Petain Cabinet has decided to establish special courts in order to establish the responsibility of M. Daladier, M. Mandel, M. Campichi and M. Delves for the declaration of war by France and the subsequent operation of the war.

Other members of the pre-Armistice government are also to be indicted.



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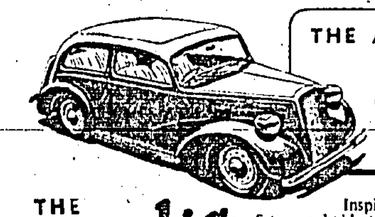
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THE FUND TO ASSIST BRITAIN'S WAR EFFORT.

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STUDEBAKER FOR ECONOMY!

The Studebaker Commander has just won the Gilmore-Yosemite economy run over a course of over 300 miles. The Studebaker Champion and President models also won first honours in their class. This is the first time in history that one make of car has won all three first prizes. Studebaker is the most economical full-sized car to operate in Hongkong. Takes all the hills on top gear.

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DEATH

MARQUES.—Francisco Luiz Marques a retired clerk of Union Insurance Society of Canton died early this morning at Canossa Hospital. The funeral will pass the Monument at 5.30 this evening.

The Hongkong Telegraph.

Wednesday, July 24, 1940.

Wyndham St., Hongkong
Telephone: 26615

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Workers Behind The Guns

The attitude with which all the working classes in Great Britain are throwing themselves into the war presents a striking contrast with that of many of them between 1914 and 1918. Then, among large sections of the workers, there were doubts and misgivings, and fears of exploitation. To-day there is overwhelming evidence of the conviction that this fight is their fight, and that everything for which organised labour has stood throughout its history is at stake.

More than that, they understand that the struggle is not only for their own rights and liberties, but also for that kind of internationalism which has peculiarly appealed to the British labour movement. Mr. Ernest Bevin, the powerful trade unionist who is now Minister of Labour, made his first appeal as a member of the Government to his old comrades on grounds larger than national grounds. "I am an internationalist," he said, adding that one reason why he as a trade unionist took office was because the labour movement was being internationally destroyed and its members on the Continent were being imprisoned and tortured.

In Britain it is no small thing that a trusted trade-union leader should ask his followers to discard the narrower conception of trade unionism. In the last war there were endless disputes about the dilution of labour and the restrictive rules established by collective bargaining; there were strikes and threats of strikes which gravely hampered output. There are no signs of such reluctance to press on with the industrial speed-up to-day. All appear conscious that there are heavy arrears to be made up, that there is not a moment to lose, and that this is a war in which speed on the fighting front depends on speed in the factories.

This is what the War is costing

THIS war is a very expensive business, much more expensive than the last. Between 1914 and 1918 the cost of the Army worked out at about £340 per man per annum, whereas each man in the Army of to-day costs the nation on the average £600 per annum.

The Navy, Army, Air Force and Ministry of Supply are spending at the daily rate of nearly £4 millions. Almost another million a day is being spent on Air Raid Precautions, evacuation, shipping and the stabilization of food prices.

The whole of the war expenditure is therefore close on £5 millions a day, out of a total Government expenditure of between £6,500,000 and £7,000,000 a day.

Already then, when we are still only half-way through the first year of the war, we are spending at the rate of nearly £2,500 millions a year—and this when the war in the air has hardly begun. Before the end of the war's first year we may be spending £8 millions a day, which is at the rate of nearly £3,000 millions a year; if the war continues, expenditure may rise to £9 millions a day or £3,285 millions a year, or even £10 millions a day, when the truly terrific figure of £3,650 millions a year would be reached.

So much for expenditure; what of the receipts? The Chancellor of the Exchequer has estimated that in the year 1939-40 he will receive £995 millions, and in the financial year 1940-1941 he may, if he is lucky, receive as much as £1,250 millions. Expenditure, on the other hand, is likely to reach at least £3,200 millions. Between the two there is a difference of £1,950 millions—say, £2,000 millions. How is the gap to be closed?

Increased taxation is the first resort which will spring to mind, and the increases would have to be borne by every class in the community except perhaps the very poorest, for even if all incomes over £2,000 a year were completely confiscated the national revenue would be increased by only about £60 millions a year.

If the standard rate of income tax were raised from 7s. 6d. to 10s. in the pound, excess profits tax were made to yield its last pound, "fancy taxes" of one kind and another were imposed, and indirect taxation stiffened the estimated revenue might reach a figure of £1,750 millions, i.e. a further £500 millions a year. There would still be a gap of £1,500 millions per annum, and this gap could be closed only by borrowing of one kind or another.

At the outbreak of war it was estimated that the gross savings of the community cannot have exceeded about £750 millions a year at the most, and this figure included amounts necessarily set aside for the depreciation of existing capital.

As the nation's war effort expands, the growth of employment and the increased sums paid in wages must increase the nation's savings, and the National Savings compaign will no doubt lead to the saving of huge sums which would otherwise have been frittered away. In the first hundred days of the National Savings campaign the public subscribed, through the medium of War Savings Certificates and 3 per cent War Bonds, to the extent of £100 millions, and perhaps this rate of progress may be maintained or even increased.

But it is difficult to believe that the additional amount which can be secured from genuine savings will be more than £750 millions a year—in other words, £1,500 millions a year is the maximum that may be received from savings.

Thus we now have a total of £3,250 millions, made up of £1,750 millions from taxation and £1,500 millions from borrowing—about what the war is expected to cost during the coming year. If the war develops in the air, then its cost will be tremendously increased—as suggested above, it may approach a figure of £4,000 millions a year—and so there will develop an ever-widening gap. When the war is at its height this gap might amount to between £500 millions and £1,000 millions a year.

How will this fresh gap be closed? Judging from the experience of the last war, by a borrowing which will be, in effect, hardly distinguishable, if at all, from inflation.

If in wartime, as the "Economist" very clearly puts it, for every pound that the Government spends some private individual (or institution) has forgone the expenditure of a pound which he would otherwise have spent, then there is no inflation, no matter whether the private individual devoted the pound he did not spend to the payment of taxes, to subscription to war loan, or merely to the increase of his cash reserves.

But if the Government expenditure on the war increases without a corresponding reduction in the expenditure of the public, then there is inflation—if, for instance, the citizen subscribes to war loan, not out of cash set free by the limitation of his expenditure but out of advances made to him by his banker for the purpose and possibly on the security of the loan to which he is subscribing.

This is the method of increasing subscriptions to war loans which was adopted in the last war, and it may well be that circumstances will compel its adoption in the course of this struggle if it should continue more than a year or two.

8/6 IN THE £ Income Tax

FUNNY SIDE UP By Abner Dean



"I think the one with the brown eyes is the cutest!"

Continuing... OF MICE AND MEN

By John STEINBECK

ON Saturday night the boys went into town to tour the saloons and the outlying roadhouses. George went along, but only as an onlooker.

A drink of whiskey cost fifteen cents; and George was obsessed with the thought of how much good planting seed for the little truck garden on his and Lennie's place could be bought for fifteen cents.

So George returned to the ranch early—yet none too soon. Lennie, as usual, was doing the wrong thing.

Not only did he wander out to the barn and visit the forbidden premises of old Crooks, the coloured stable buck; worse, he betrayed the secret of their dream place to Crooks, abetted by Candy.

While George was ordering Lennie and Candy back to the bunkhouse, Mae, adrift as usual on Saturday night while her husband was in town on a drunk, entered the barn.

They tried to drive her away; but Mae, stubbornly bent on finding out what had really happened to Curley's hand, ignored their insults and closely questioned one after the other about Curley. Then she noticed the bruises on Lennie's face.

"So—it was you," she said softly. "Well, maybe you're dumb like they say—and maybe you're the only guy on the ranch with nerve. You're a nice fella!"

George would have struck her then and there for "messin' around" with Lennie, had not old man Jackson passed by and ordered them all out of the barn.

When Curley returned home, late Sunday morning, from his all-night drunk, his father told him about Mae's nocturnal visit to the barn. Curley rushed upstairs to administer one of his frequent beatings; but she turned on him in hysterical fury.

"Who bust your han', Curley?" she screamed, laughing wildly. "Who bust your han'?"

"I tole you I caught it in a machine."

"Yeah. I seen that machine last night. Why didn't you tell your old man so he could can them fellers? I'll tell ya why—'cause if ya talked, they'd talk too. An you were afraid you'd get the horse laugh—like I'm givin' ya now!"

Curley's anger turned to cold fury. "I ain't even gonna slug ya. I'm just gonna pack your junk. You're gettin' outa here. You and me are through."

* * *

THE Sunday afternoon horseshoe pitching contest was in full swing. But Lennie did not hear the excited shouts and the occasional clang of a horseshoe against the spike that sounded from outside the barn. For great sorrow had come to Lennie. His pup was dead.

While he sat in the straw, looking dumbly at the little lifeless form in his hands, Mae stealthily crept into the barn. At first she was unaware of Lennie's presence; she had come in, dressed in her best dress and carrying her cheap patent leather suitcase, to find her puppy.

"I was clear through the ranch gate, but I remembered—you foolish little face—you're comin' with me."

When she heard Lennie begin to sob, she went over to him.

"Your puppy! He's dead!"

"He was so lil'," whimpered Lennie. "I was jus' playin' with him an' he made like he was goin' to bite me an' I made like I was goin' to smack him—an' then he was dead."

"Don't you worry none. He was just a mutt. You can get another one easy. The whole country's full of mutts."

"It ain't that so much. George ain't gonna let me tend no rabbits, now."

Lennie suddenly remembered that Mae was a "pack o' trouble", and that he was forbidden to talk to her. He made as if to go, but she blocked his path.

She spoke to him soothingly. He needn't worry about being found talking to her. The horseshoe tournament would last all afternoon, and no one would leave it until it was over.

AT last Mae had some one to talk to, and to the uncomprehending, scarcely listening Lennie she poured out her life's story; how her father had been a drunken sign painter who was "put away" when she was a child; how she had wanted to go into the movies,

But Lennie kept returning to his own woe. "Maybe if I took this here pup an' throwed him away," he muttered, "George wouldn't never know. Then maybe I could tend the rabbits."

"What makes you so goofy about rabbits?" she demanded.

"I like to pet nice things. Once at a fair I seen some of them long hair rabbits. And they was nice, you bet. I like to pet nice, soft things. Like velvet."

"I think you're goofy," she giggled. "But you're a kinda nice fella. And a person can kinda see what you mean. Sometime when I'm doin' my hair I jus' set there an' stroke it because it's so soft. Feel there an' see how soft it is, Lennie. Don't you muss it up, now."

* * *

LENNIE gently, happily, stroked her hair. "Oh, that's nice."

He continued passing his fingers over her hair, gradually stroking it harder and harder, then passing his fingers through it. She jerked her head sideways, shouting "Look out, now! You'll muss it!"

Frightened by her sudden scream, he tightened his fingers convulsively on her hair and clung to it. She screamed again.

"Please don't holler," implored Lennie, still hanging on. "George will be mad."

Mae scrambled to her feet, and Lennie stood up with her. "Let go! You let go!" she screamed.

In wild panic, he clamped his big hand over her mouth and held it a moment. When he released her she screamed again, and again he covered her mouth, holding her tighter and tighter, shaking her a little. She struggled fiercely, kicking off one of her slippers. Then her frightened eyes suddenly became calm. Lennie released her, his fingers still entwined in her hair, and smiled with relief.

"That's right. Don't yell no more. I don't want to hurt you."

She stood facing him for another second, her eyes dull, her mouth open. Then she slumped to the floor.

(To be concluded)

MONEY-LENDER'S COURT PETITION

Chief Justice Offers Him Two Alternatives

Loans made by an Indian money-lender several years ago to a man who has since passed away were recalled at the Bankruptcy Court this morning, when Basant Singh brought a petition for the administration of the estate in bankruptcy of the late Mr. William Pittendrigh, before the Chief Justice, Sir Atholl MacGregor.

Mr. M. A. da Silva, for Basant Singh, said the petition was first brought in August, 1938 and was adjourned sine die because the then Official Receiver wanted strict proof of the debt before he would consider supporting it. At that time the petition was brought by the attorney, the actual creditor being away in India. The creditor had since returned.

The Official Receiver, Mr. J. B. Prentis, pointed out that as far back as August 10, 1938 his predecessor wrote to Mr. Silva asking for full particulars of the transaction. That letter still remained unanswered.

Mr. Silva replied that when he received the letter he was not in a position to reply because the creditor had not returned to Hongkong.

Judge's Questions

His Lordship: Do you mean to say that His Majesty's mails in a great country like India were not operative?

Mr. Silva: It is not that. My client was not in a position to answer because he was very ill and was partially paralysed.

His Lordship: Has the letter been replied to now?—I am sorry, no. This was due to an oversight on my part. The petition was hurriedly fixed as the creditor wanted to return to India, and when I told the Official Receiver about it he did not indicate that his predecessor's letter had not been answered.

His Lordship: I cannot see how the Official Receiver could be expected to cross-examine without the particulars.

Mr. Silva then suggested that his client be allowed to give his evidence, after which hearing might be adjourned for the Official Receiver to consider any questions he might desire to put. This was agreed to.

Petitioner's Evidence

Basant Singh said he had known Mr. Pittendrigh since he first came to Hongkong in 1920. Mr. Pittendrigh had done him a lot of favours by introducing him to various shipping companies for watchman's contracts.

In the beginning of 1931, he lent Mr. Pittendrigh a total of $1,500 on three promissory notes. The amounts mentioned in the notes were actually lent to Mr. Pittendrigh. He did not charge double because Mr. Pittendrigh had been a friend, and had been very kind to him.

These loans were repaid after two and half years, but he did not return the notes to Mr. Pittendrigh because, at the time of repayment, he could not find them. When he eventually found them, Mr. Pittendrigh told him he did not want them and that he did not mind him keeping them.

His Lordship: Why not tear them up?—That is my mistake. I should have done so.

Two Judgments Obtained

Continuing, Basant Singh said that in 1935 he obtained judgment against Mr. Pittendrigh for $1,005 on a promissory note dated May 1, 1934 for 1,000. This was the actual amount he lent, and though it was specified that interest be at two per cent. every month, he received only two months' interest. Mr. Pittendrigh consented to judgment and an order was made for instalments at $50 a month. Against this judgment, he received only $560.

In the same year he obtained another judgment for $1,000 on a promissory note also dated May 1, 1934. On this judgment he received nothing.

His Lordship: It seems to me this is a fragrant intention to split the actions. They should have been brought together under Original Jurisdiction.

Mr. Silva: I was not the solicitor then and it seemed the question of splitting was not raised.

In answer to further questions by Mr. Silva, Basant Singh said he obtained a third judgment for $1,000 in 1935, for which he also received nothing.

His Lordship: Why didn't you lend him the $3,000 at one time?—Because I didn't want to go to Original Jurisdiction if I had to sue.

Admittedly Splitting

His Lordship: This is admittedly splitting.

The Official Receiver pointed out that according to the records, Mr. Silva appeared for the creditor at that time.

Mr. Silva: It must have been a mistake on my part because I do not recollect having served the writs on his behalf.

Basant Singh said that in 1936 he obtained another judgment for $940—$700 for money lent and $240 for interest. After the judgment, however, he found that the interest had already been paid and accordingly altered the amount due. On this judgment, he also received nothing. He kept no record of any of these transactions.

The Official Receiver: If you kept no books how were you able to calculate the interest?—I just counted the number of months when interest was not paid.

How many loans you made a year?—About 20 to 30.

His Lordship: Your recent illness does not seem to have impaired your memory. You say you can from day to day calculate in your head the interest due to you from 30-40 people?—At that time yes, but not now.

His Lordship: Nevertheless, it seems the transactions with Mr. Pittendrigh remained in your mind.

Two Alternatives

His Lordship then said that in view of the admission by the petitioning creditor to split the costs of action which, on his own statement, exceeded $3,000, he would give him two alternatives prescribed by Section 10 of the Supreme Court Summary Jurisdiction Ordinance, 1873. The first alternative was for the petitioning creditor to take judgment for $1,000 and costs in full settlement of all causes of action. If he accepted this, he would have on the whole cause of action $450 still due to him. If he refused, the other alternative would be to annul all three actions for $1,000 each and leave the petitioning creditor to his remedy on the promissory notes.

Hearing was adjourned to next Wednesday for the petitioning creditor to consider these two alternatives. "You have admitted quite frankly to splitting the costs of action and I am not prepared to have my Court flouted by man like you," His Lordship said.

Unanimity Sought

Mr. Cordell Hull's Task At Havana

NEW YORK, July 23 (Reuter).—Commissions of delegates are now preparing definite resolutions based on Mr. Cordell Hull's speech to offer to the Pan-American Conference, according to reports reaching here from Havana.

It is hoped that the resolutions will represent a step towards eventual unanimity at the Conference which Mr. Hull is known to be anxious to achieve in order to present a continental solidarity in face of the serious situation.

It is believed that such unanimity would not be possible until the Conference had advanced to further stages.

Argentina's Reserve

Argentina has hitherto shown herself shrewdly reserved towards the United States' proposals. Some observers maintain that this is a precautionary attitude rather than an unfavourable one, but others regard Argentina as reluctant to commit herself to any restrictive Pan American economic plan at the expense of her present relations with the totalitarian States, as well as Britain, unless she is assured of adequate tangible compensation in other directions.

Meanwhile, Brazil will probably assent more readily to some form of trusteeship of European possessions in the western hemisphere if she could secure some direct influence over the Guianas which bite into the Brazilian constline.

Strong Leadership

Mr. Hull, however, has already assumed a strong leadership at the Conference and doesn't appear discouraged. Most Republics gave his keynote address a cordial reception. Enough modifications to suit the views of others may yet bring about "concrete measures" for "pressing" Pan-American problems.

Spent Leave Saving Lives At Dunkirk

Young Man's Devotion To Duty

LONDON, July 23 (Reuter).—Stories about Dunkirk continue to come to light. The latest concerns a 19-year-old lad, who at one time was a salesman at Covent Garden and who volunteered for service with a trawler.

He went on leave just before the evacuation of the B.E.F. When he returned the Officer Commanding the trawler asked him where he spent his leave. "Dunkirk," he replied.

Could Not Be Put Off

It transpired that he reported at Chatham in uniform and asked to be allowed to join in the task of getting the B.E.F. away. He was told that since he was on leave he could not be given another job.

Undaunted, he returned home, got into civilian clothes, picked up an identification card and volunteered again. He became part of the crew of a small motor boat that made three trips to Dunkirk.

When his leave was over, he returned to the trawler.

Late Mr. W. H. Redwood

Funeral Service Held This Morning

The colleagues and friends of the late Mr. W. H. Redwood, who died suddenly yesterday, gathered at the Colonial Cemetery this morning to pay their respects to an esteemed friend and fellow worker.

Mr. Redwood was an engineer attached to the Superintending Electrical Engineer's Staff, Royal Naval Dockyard. His wife and three daughters are evacuees in Manila.

The cortege left the Naval Hospital at 10 a.m., and wended its way up to the Stubbs Road entrance of the Colonial Cemetery where the casket was conveyed to the graveside on the shoulders of Messrs. G. H. R. Fox, V. J. Smith, H. G. Burnett, R. Collins, A. Bowen and G. W. Deacons. On the casket rested a wreath from Mrs. Redwood.

Commodore Represented

Burial rites were conducted by the Rev. (Lieut.) C. Strong, Acting Chaplain of the Naval Yard.

Rear-Admiral A. M. Peters was represented at the funeral by Lieut.-Cmdr. W. A. Elliot and also present was Lt. G. R. Cole. Others attending included Messrs. D. Campbell, C. J. Manning, A. W. Warburton, E. C. Vagg, C. A. Hall, S. C. Walker, P. R. Holloway, H. L. Foster, R. C. Drouet, W. J. Salmon, S. Hammon, S. S. Rogers, H. Bell, E. M. Phillips, E. W. Ware, F. W. Hopkins, E. Smith, E. E. Vine, F. Marsh, B. Arstall, Sergeant W. J. Curd, Mrs. R. Grant and Miss R. Grant.

Floral Tributes

Floral tributes were from "His Loving Father, Deepest Sympathy," "To Daddy, from Olive, Barbara and Mabel, with Love and Sympathy."

Rear-Admiral and Mrs. A. M. Peters, Mr. and Mrs. Henry E. Budden and family, H. F. Harper and Brian, W. J. Austin, Lt. and Mrs. G. R. Cole and Tony, Mr. and Mrs. G. Fox, C. G. Manning, Mr. and Mrs. A. L. Warburton, Mr. and Mrs. Kemsley, R.N.Y., Mr. and Mrs. P. Holloway and family, Mrs. Grant and family, Mr. and Mrs. Vagg, Mr. and Mrs. C. A. Hall, Mr. and Mrs. V. J. Smith and Thelma.

Commander of the Dockyard and Staff, Outside Staff of the N.S. Department; Principal Officers and Foremen Constructive Department, H.M. Naval Yard, Hongkong; All Members of S.E.E. Department; Local Clerical Staff, S.E. Department; Colleagues in S.E.E. Main Office; Admiralty Draughtsmen's Association, Hongkong Branch; Committee and Members of the Hongkong Branch of the Civil Service Clerical Association; Ah Choi and Chinese Electric Mains Staff, Naval Yard; Committee and Members of H.M. Dockyard Recreation Club; S.C.E. Department and Staff; Local Clerical Staff S.E.E. Department; S.E.E. Drawing Office; Royal Naval Yard Police; Superintendent R.N.Y. Police; Expenses Accounts Department; Electrical Yard Mains and Machinery Section; Clerical Staff C.C. Department, Naval Yard; Amah Chan Ding; Chinese Staff Generating Station, and others.

Robbed His Friends

Man's Mean Action Leads To Court

After living with friends for about one week, Mok Shiu-chung, 24, unemployed, took advantage of their absence one day and stole $55 Hongkong money and $1,011 Chinese money from their suitcases. He was arrested yesterday and was charged before Mr. H. G. Sheldon, K.C., at the Central Magistracy this morning with the theft.

Det.-Sgt. J. Bentley said Mok lived with friends in No. 18 Bowrington Road, third floor, and during their absence on Monday, opened their suitcases and took away the money. After his arrest yesterday, Mok took the Police to various addresses to recover some of the money, and to a boarding house where he was staying.

Mok had purchased a gold bangle, a gold finger ring, and other articles with the stolen money, as well as having paid a few debts. The total amount recovered was $241 Hongkong money. Defendant was a former employee of the British-American Tobacco Company.

The Magistrate ordered a remand until Friday to enable Mok to make some restitution.

MAN'S FALSE PRETENCES

An attempt to obtain $3 by false pretences led to the arrest of Cheung Sin-yiu, 31, unemployed, and his appearance before Mr. H. G. Sheldon, K.C., at the Central Magistracy this morning.

Det.-Sgt. V. M. Morrison said Cheung went to the Wing Lee Wireless Co., at 109 Hennessy Road, Wanchai, yesterday, and presented the manager, Mr. Hui Man-cheung, with a receipt for $3, allegedly due for an advertisement inserted in the Hongkong Directory. Mr. Hui, however, had received an official receipt from the firm some three days previously, and detained Cheung as a result.

Cheung was sentenced to three months' hard labour. On a second charge of returning from banishment, he was sentenced to six months' hard labour. The terms are to be served concurrently.

WELLES INDICTS RUSSIA

Absorption Of Baltic States Criticised

SPECIAL TO THE "TELEGRAPH"

WASHINGTON, July 23 (UP).—The following statement has been issued by Mr. Sumner Welles, the Under Secretary of State:

"During the past few days, the devious processes under which the political independence and territorial integrity of three small Baltic republics—Estonia, Latvia and Lithuania—were to be deliberately annihilated by one of their more powerful neighbours has been rapidly drawing to their conclusion.

"Since the time the peoples of these three republic first gained their independence and democratic form of government, the people of the United States have watched their admirable progress in self-government with sympathetic interest.

U.S. Opposition

"The policy of this Government is universally known. The people of the United States are opposed to predatory activities, no matter whether they are carried out by force or by the threat of force. They are likewise opposed to any form of intervention on the part of one State, however powerful, in the domestic concerns of any other sovereign State, however weak. These principles constitute the very foundations upon which the existing relationship between the 21 sovereign republics of the new world rests.

"The United States continues to stand by these principles because of the conviction of the American people that unless the doctrines in which these principles are inherent once again govern relationship between nations, the rule of reason, justice and law—in other words, the basis of modern civilisation itself—cannot be preserved."

Denounces Russia

WASHINGTON, July 23 (Reuter).—Mr. Sumner Welles, who is acting Secretary of State in the absence of Mr. Cordell Hull who is at Havana, to-day denounced the absorption of Estonia, Latvia and Lithuania by the USSR as a "deliberate annihilation".

He told a press conference that the people of the United States "are opposed to predatory activities, no matter whether they are carried on by the use of force or the threat of force."

In a formal statement, Mr. Welles said that although the three States had voted to join Russia, the United States would continue to recognise their Ministers as Ministers of sovereign governments now under duress.

Washington Flutter

WASHINGTON, July 23 (Reuter).—Mr. Sumner Welles, Assistant Secretary of State, denouncing the Soviet absorption of the three Baltic states, caused considerable surprise among political observers in Washington.

It had been believed that relations between the United States and the U.S.S.R. were improving—a belief supported by the steps taken recently to release machine tools and other goods to the U.S.S.R.

The contents of Mr. Welles' statement perhaps are less striking than its biting phraseology.

It is generally supposed that the President must have been consulted before the statement was made, but it is not clear whether it was referred to Mr. Cordell Hull.

Minister Rebels

LONDON, July 23 (Reuter).—"Reuter's" diplomatic correspondent learns that the Estonian Minister in London has informed the Foreign Minister that he is unable to recognise the surrender of independence of his country as a free genuine expression of the will of the Estonian people.

Consequently, he does not regard as binding any decision or act emanating from a Government which no longer represents the free Estonian people.

Similar demarches were made by the Ministers of Latvia and Lithuania.

At the same time, they handed the Foreign Office a memorandum based on the constitution of the three countries whereby they will endeavour to establish that the elections were held under foreign pressure.

THE WAR FUND

The War Fund inaugurated by the S. C. M. Post, Ltd., totalled $1,295,-076.15 yesterday.

Latest donations received are the following:

Jardine's Shipping & Friends (10th Instalment)	30
Subscriptions made by All Ranks of the 1st Bn. The Middlesex Regt.	1,100

Secret Gibraltar Evacuation Begins

SPECIAL TO THE "TELEGRAPH"

GIBRALTAR, July 23 (UP).—The greatest secrecy shrouded Gibraltar to-day when the first official evacuation of the Rock began.

Ships taking evacuees from Gibraltar are proceeding to an unknown destination.

The captains, it is learned, have received sealed orders which they will open only after the vessels leave Gibraltar.

It is believed their destination is other British colonies. About 2,000 evacuees are leaving.

In the meantime, many Gibraltar merchants are attempting to liquidate their businesses, but there are no takers at any price.

The only cargo vessels now in Gibraltar harbour are interned French and Italian ships.

Stole Drums Of Wire

Three Thefts From Jardine's Launch

A term of two months' hard labour was passed by Mr. R. Edwards at the Central Magistracy this morning on Wong On-hing, 24, an employee of the Jardine Engineering Corporation, for the theft of three drums of metal sheathed wire from one of the Company's steam launches between July 17 and 19.

Det.-Sgt. P. J. Cullinan said Wong was employed at wages of $21.50 per month, and worked on board the steam launch which was one of several loaned to the Hongkong Naval Volunteer Force. On July 19, a watchman employed by the Naval authorities saw him removing one of the drums of wire, but took no action, since Wong was known to him to be one of the employees of the launch.

Discovered By Watchman

On Monday, the watchman found Wong on the vessel after the rest of the employees had left, and asked him what he was doing there. Wong replied he wanted to take some drums ashore. The watchman refused him permission, and reported the matter to a foreman the next morning. Wong was questioned and admitted having taken three drums of wire between July 17 and 19. The drums were found in the premises of the Leung Hing Kee firm in Wanchai, where he had disposed of them for $25. They were valued at $120.

According to the defendant, he told the Police he had taken the property because he was in debt and wanted to raise funds.

An order was made by the Magistrate for the return of the drums to the Jardine Engineering Corporation.

Mail Planes Depart

Indian Prince On Delphinus

His Highness the Maharaja of Indore, S. G. R. Holkar, and Her Highness Margaret Lawler Holkar were two of the passengers on board the Imperial Airways Delphinus which left Hongkong this morning. His Highness Maharaja Holkar is the ruler of the Indore State and is returning to India with his wife.

Also on board the Delphinus were Mr. M. B. Chothe and Mr. A. E. N. Madsen, a Dane.

The Delphinus carried 76 kilos of freight and also had on board 104.650 kilos. of mail.

Clipper Departs

Pan-American's California Clipper also left Hongkong this morning and the majority of its passengers were for Manila.

Travelling to San Francisco were Mr. Gourji Ishac, an Irakian Chemist en route to New York on business, and Mr. Ronald W. G. MacKay, a solicitor from Sydney flying to London by way of America on urgent business.

For Manila were: Mr. W. L. Bond, an Official of the Pan American Airways Co., making a business trip; Mr. Tan Tek-bin, a Chinese student returning after spending his vacation in Hongkong; Wayne May, PAA Meteorologist returning after an overnight stay in Hongkong, Mr. Cedric Blaker, an Official of Gilman and Co., Hongkong, going on business.

Mr. B. Leslie Holmes, a British educator, going to Manila on vacation; Mr. Harold Sweet, C.N.A.C. pilot flying to Manila to make a short visit to his family; Mr. Eugene Barnett, one of the active members of the Y.M.C.A. who is making a pleasure trip.

Mr. Wong Tze-chuen, a well-known Hongkong physician; Mr. Morris A. Cohen, Mr. Richard W. H. Maynard, a British Government Official on vacation; Mr. Thomas L. Knight of the Hongkong Motor Accessories Co., Ltd., Hongkong, on business; Mr. Herbert C. Burgess, a British Naval Officer spending his vacation in the Philippines.

BELFAST TAKES PRECAUTIONS

SPECIAL TO THE "TELEGRAPH"

BELFAST, July 23 (UP).—The leading hotels here are full of British officers of all services, and the streets are full of British soldiers from the augmented garrisons.

R.A.F. planes are often seen on training flights. Defence precautions similar to those employed in England are in force on the railways and highways.

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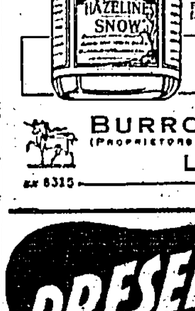
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Around The Courses

DISAPPOINTMENT FOR SARAZEN

Ferrier Making Ground In America: Lawson Little—Hard And Uncompromising

(By "Birdie")

THE RESULT of the match between the U.S. Ryder Cup team and Sarazen's selections came through last Friday, and it was one that must have been a surprise to Sarazen. Though his vaunted team was only just beaten—7 and 5—yet beaten they were, and details of the match should be highly interesting. These, however, are not yet at hand, and I doubt if they will be for at least another two weeks.

Sarazen, himself, went down badly to Henry Picard in the singles, being beaten 8 and 7, and Lawson Little, the new Open champion, went under to Horton Smith 4 and 3. Though it may not be expected among the professional ranks, yet golf is a game that has more fluctuations of form than any other. There are so many little things that can turn the scales.

However, we will leave that until more detailed reports arrive. Meanwhile, the second interesting item of news from America was the result of the Chicago Open. Dick Metz was first and Johnnie Revolta second. Actually, the cable was somewhat mutilated and there was a second name that tied with Revolta with a score of 279, but it couldn't be worked out. The cable read "Hotean"—whoever that is! Can it be Ben "Hogan"

It probably is. In morse code, "t" is a dash, "e" is a dot, and "g" is dash-dash-dot. Omit the middle dash in "g" and it might sound like dash-pause-dot, which is "te". Q.E.D.

It is also interesting to see that Jim Ferrier was placed third, or rather fourth with the tie for second place. It indicates that he is at last getting into his stride "over there." One doesn't, of course, know what the "field" was like, but it seems that he has overcome playing conditions, which, a little while ago, Ferrier admitted were bothering him.

* * *

WHEN Lawson Little captured the American Open title it must have rankled in the hearts of many golfers, if there is anything to be attached to the writing of one of his reporter-friends.

Since he turned professional, four years ago, writes this friend, Lawson Little has been more unpopular than any golfer of the lot. Consolation he received after bad rounds was hollow, almost as hollow as the congratulations that followed the good.

The resentment of his fellow-pros was as understandable as it was unpardonable. Little turned professional after a tremendous amateur record. In publicity and praise he had outdone by far the men who were playing the game for a living. Twice winner of the British and American amateur title, he entered the professional ranks with a name more celebrated than any of the pros.

They looked on him as a menace and something to stamp out. Unfortunately, Little helped them to wrap him in ice. He was formal and aloof. Pros scarcely gave him a nod, and he scarcely acknowledged the scarce nod they gave.

If he was hardened as an amateur, their treatment made him more so. And it all came out when he won the Los Angeles Open championship. He was five strokes behind the leader when the final round started. The course was soaked with driving rain, the greens ran water, and the par-70 course in normal times was a par-73 that day.

Little overcame the weather to get to the front, and with a 65(!)—five under par—won with what Walter Hagen said was an amazing show of skill and courage.

* * *

WHEREAS wind and rain could not stop Little in the Los Angeles Open, it was too much for Sam Snead in the National Open at the Canterbury Golf Club on June 7. It was just a short sharp storm that Little and Horton Smith managed to evade.

Snead had broken all open records with his early round of 67, and a tremendous crowd followed him for the second. The sudden violent wind storm struck him on the 4th, and though he managed to conquer difficulties for some time, the short 17th put a 5 on his card and he finished with 74—3 over par.

Little went around before the storm blew up and returned a brilliant 69 to catch up Snead's morning lead, while Horton Smith went around after the storm had subsided and returned a par 71 to make it a triple tie of 141.

Little, as we know, won the play-off.

Motor Racing Records Set By Ab. Jenkins

SALT LAKE CITY, July 23 (Reuter).—Ab Jenkins, the American motor racing driver, who is now Mayor of Salt Lake City, established a world record for 24 hours' driving today in a Meteor with an average speed of 161.18 m.p.h., beating his own previous record of 157.27 m.p.h.

Jenkins has now broken every world record from the 50 kilometres to 3,000 miles, and from one hour to 24 hours.

He once lapped the circular 11-mile course in 189 m.p.h. which is the fastest speed ever on a circular track.

Water Polo

Y.M.C.A. Team To Meet Eastern

The following will represent European Y.M.C.A. seniors at water-polo this evening against Eastern Athletic Association, in the Y.M.C.A. Pool at 7.30 p.m.:

H. Eardley; E. W. Railton and L. A. Benn; G. T. May; C. Goldman, G. H. Fowler and L. H. Chater. Reserve R. Goldman.

The following will represent Eastern.—

Woo Tso-kin; Kwok Fung-san, Yeung Man-kit; Shek Kam-pui; Lee Fook-kee, Chu Chok-yau and Wong Chi-hung. Reserve: Kwok Chun-hang.

Eastern Athletic Association will meet a team from H. M. S. Scout tomorrow evening at 8 p.m. at their pool at North Point.

Bowls Tournament

OVERWHELMING WIN FOR MAIN AND MUNRO

R. MAIN AND D. MUNRO gained an overwhelming victory over A. Morton and H. J. Bicknell in an Open Pairs lawn bowls championship match at the Craigengower Cricket Club yesterday. The score was 34-8.

Only on six heads did the losers score. Munro and Main scored two sixes, one on the 4th end and the other on the 20th, which was the last.

The scores were:

R. Main and D. Munro	A. Morton and H. J. Bicknell
1	—
4	—
1	—
6	—
1	—
1	—
4	—
2	—
—	1
2	1
1	1
1	2
—	2
—	4
—	6
1	7
1	8
6	34

Rifle Assn. Meeting Postponed

After waiting for three-quarters of an hour, the annual meeting of the Hongkong Rifle Association, scheduled to take place yesterday, had to be postponed because the number of members present was insufficient to form a quorum. Thirteen members attended, two short of the number required.

At the suggestion of Major R. D. Walker, it was decided to postpone the meeting to August 6 at 5.30 p.m., at the Jacobean Room, Hongkong Hotel. No quorum will be necessary for this next meeting.

"B" Division Tennis

Chinese R. C. Easily Beat C. S. C. C.

Civil Service lost 9-0 to Chinese R.C., in the "B" division of the tennis league yesterday.

J. A. Bendall and I. Agafuroff lost to K. L. Ho and C. C. Wong 4-6, lost to D. C. Luk and S. W. Wong 2-6, lost to P. F. Tsoi and C. C. Luk 5-7.

W. J. Skinner and B. Agafuroff lost to Ho and Wong 1-6, lost to Luk and Wong 1-6, lost to Tsoi and Luk 2-6.

D. Hollidge and C. Sloan lost to Ho and Wong 3-6, lost to Luk and Wong 1-6, lost to Tsoi and Luk 0-6.

Summer Race Meeting At Kowloon C.C.

ENTERTAINING naval reservists from H.M.A.S. ships in the Colony, the Australian and New Zealand Association staged a summer race meeting at the Kowloon Cricket Club last night, at which a large crowd of people, including a fair number of women, were present. All had a very enjoyable time, and races proved close and exciting.

The programme consisted of eight races; one for women. Of the remaining seven, the winners of the first six qualified for the Melbourne Cup which was the last race of the evening, and on which was conducted a "big" sweep.

The course stretched the length of the K.C.C. hall, and the six little horses (though they looked more like a cross between a kangaroo and a camel) were drawn along by twine which was wound in at the other end of the hall by the "jockeys".

By sitting side-on to the handle, it was much simpler to wind, and consequently though "jockeys" 1-5 had someone sitting on their right and hampering their movements, "jockey" No. 6 had a free right hand with which to perform. This was not noticed until No. 6 had won the first two races in a canter. Thereafter, he, too, was handicapped by having someone sit beside him.

GOOD TIMES

TIMES were good and even. Slowest was 43 seconds, while the record for the track, established last night, was 37 seconds.

The great race, of course, was the Melbourne Cup. Betting was heavy on the record holder, though it was ignored, that he had but established that record in the previous race. The Cup had people on their feet—it was a neck-and-neck struggle upon which "fortunes" depended.

In between races, one of the officers entertained on the piano. Arrangements for the meeting were made by Mr. T. G. Stokes, who was also the pari-mutuel, while Mr. A. Spary was Clerk of the Course.

EXHIBITION TABLE TENNIS AT ST. ANDREW'S

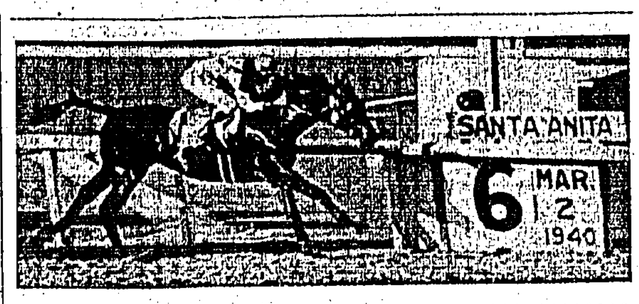
TABLE TENNIS of a high standard was witnessed in the exhibitions which were given in St. Andrew's last night in aid of the "S. C. M. Post" and "H.K. Telegraph" War Fund. Teams were made up of the champions of Hongkong and Kowloon teams, and the island team gained a narrow 10-9 victory.

Hongkong, it will be remembered, was able to offer stern competition to Szabados and Kelen, the Hungarian world champions when they were on tour here, and in fact on two occasions inflicted defeat on those renowned players.

Last night's play was of the best, and remembering what has just been mentioned, little more need be said.

The scores were:

C. K. Chui (Kowloon) beat H. L. Young, 2-1.
S. H. Lai beat S. N. Sui, 2-1.
C. H. Tang beat C. C. Lee, 2-0.
C. F. Leung lost to C. K. Chan, 0-2.
T. L. Li lost to K. C. Lau, 1-2.
S. S. Wong lost to T. H. Lee, 1-2.
K. W. Yuen lost to Y. S. Wong, 2-1.



Sea Biscuit's Career

Greatest Money Winner Once Offered For $2,500 —Nobody Wanted Him

(First Chapter)
By JACK GUENTHER

ARCADIA, Cal., (UP).—No fiction magazine would have published it. No movie studio would have filmed it. No racing man would have believed it. The story of Sea Biscuit had to be lived.

He ran 18 times before he could win his first race—yet he has humbled the proudest thoroughbreds of his generation.

No one would buy him for a claiming price of $2,500—yet he won more money than any other horse in the history of the turf.

He was forced into retirement with an injury from which horses never come back—yet he returned to win the richest race in the world in the fastest time of his life.

He started life as a clown, so lazy he wouldn't run—yet to-day he is known from Suffolk Downs to Santa Anita for honesty and heart.

Those are the bare facts of Sea Biscuit's story. There are two men in it, too. There is Charles S. Howard, who parlayed a bicycle shop and a few second hand cars into millions. He bought the homely cast-off for $7,500. There is Tom Smith the one time Rodeo rider, known as silent Tom. He taught the ugly duckling how to run.

There are other men and other horses, but they will come in their places.

ODD-LOOKING FOAL

SEA Biscuit was foaled in Paris, Ky., at the Claiborne Stud on May 23, 1933. He was odd looking, even for a foal, with a homely head and a barrel like body that looked too heavy for his legs. He was bred and owned by Wheatley Stable, which was operated by H. C. Phipps and the late Ogden Mills.

He stayed in Kentucky for more than a year, until his skinny legs took on flesh and his back began to broaden and swell. Then he started into training under sunny Jim Fitzsimmons, the grand old man of the turf. From the start, the two of them didn't get along and we'll let sunny Jim tell you why.

"He fooled me for quite a spell," he explains. "I had him for more than a year and all the while I thought he simply couldn't run. We all thought so. I sent him out 17 times and watched him lose before I sent him the 18th and saw him win. Even then he wasn't running as well as he should have. He preferred to clown around and frolic.

"Then I found out why he wasn't running. It wasn't that he couldn't, it was that he wouldn't. He was lazy, dead lazy.

"One of my rules is that I never whip a horse. But I decided to fool the Biscuit to prove to him he wasn't fooling me. I told Jimmy Stout, he was the stable's contract jockey, to get himself a long flat stick, something that would sting but wouldn't hurt. Then we brought out the Biscuit.

"Well, sir, I told Jimmy to get up, get out and start smacking that baby on the rump. Jimmy did it—and how the Biscuit stepped. We knew then he could run."

A POOR SEASON

BUT the knowledge came too late. Sea Biscuit's first season had been a poor one. He had started 35 times on the eastern circuit but was able to win only five races, and those in poor fields.

He ran in three claiming races for $2,500 and nobody claimed him.

When the next season came and Sea Biscuit turned three years old, Sunny Jim was training Granville for the Kentucky Derby and he had not time for loafers. By August, Sea Biscuit had won only four starts, so Wheatley decided to sell.

SOLD FOR $7,500

THEY sold—to Howard—for $7,500 an hour before A. A. Baroni, the owner of top row, got in his bid. Sea Biscuit went west with silent Tom Smith and there his rise began.

When he started the year 1937, Sea Biscuit had run 58 times and had won only 14 of his starts. He was just another horse. But just around the bend of 1937 was his biggest season.

The next Chapter tells of his first real successes.)



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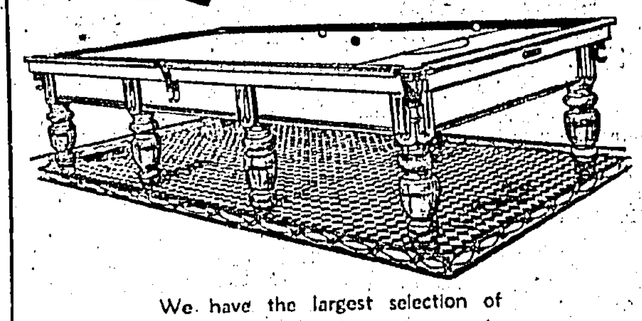


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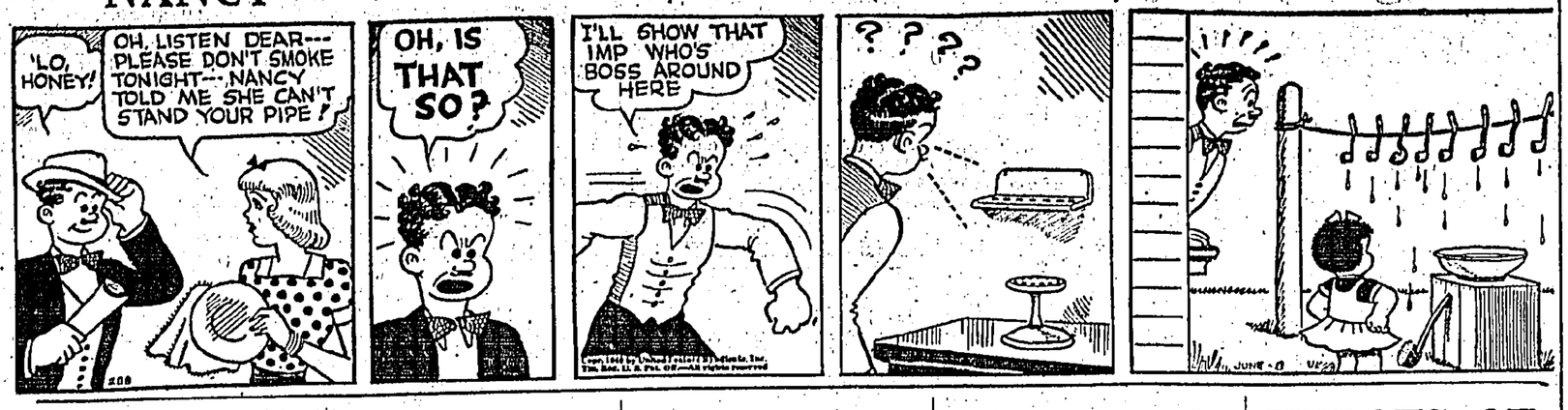
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NANCY By Ernie Bushmiller



Homeside Evacuation
Discrimination Denied

LONDON, July 23 (Reuter).—A question on the overseas evacuation of children was raised in the House of Lords to-day by Lord Marley, replying to whom Lord Snell said that there was no discrimination in Government's scheme such as children of well-to-do parents getting to the Dominions and the United States while the children of poorer parents had no such advantages.

Some children had been sent away by parents at their own risk before the Government scheme was on foot. Government was not responsible for that nor did it make any provision for the journey. Unless it was contended that Government should have prohibited such an arrangement there was no case against Government on this point.

Situation Altered

Government could not foresee that when the scheme was launched that it would appeal to so large a proportion of parents. The situation had been altered by an unexpected number of applicants. So far there had been applications in respect of 175,000 children in state-aided schools and 16,580 children outside those schools.

These figures proved how little substance there was in the suggestion that there was some kind of social distinction in Government's scheme.

The postponement of the scheme was a matter of deepest disappointment. The Government could not spare naval vessels and were determined not to risk sending children without convoys. The situation might change and every opportunity was being watched.

May Offer U.S. Ships

LONDON, July 23 (Reuter).—Mr. Sol Bloom, Chairman of the House of Representatives Foreign Affairs Committee said yesterday that in connection with the proposed amendment of the United States. Neutrality Bill which would allow British children to cross the Atlantic, in American ships, he believed that the proposal will have the approval of the State Department.

He is not sure whether or not it was advisable for the United States to take the risk, but if Germany and Italy would guarantee the safe passage of the ships carrying only refugee children, their guardians and their mothers, the United States might be willing to take a chance.

Conscription In U.S.A Step Nearer

WASHINGTON, July 23 (Reuter).—A bill providing for compulsory military training has been approved by the Senate Military Committee.

The bill requires the registration of 42,000,000 men between the ages of 18 and 64. It is expected to reach the Senate next week.

A War Department spokesman said the system proposed under the Bill contemplated the actual training of about 1,500,000 men between the ages of 21 and 30 during the first year.

COMMUNIQUE ON DESERT WAR

CAIRO, July 23 (Reuter).—To-day's war communique states that on the evening of July 20 a patrol of the King's African Rifles intercepted and turned back a strong body of the enemy at Ajao, 50 miles southeast of Moyale.

On other fronts nothing of importance happened.

TRAWLER SUNK

LONDON, July 23 (Reuter).—The Admiralty announces that His Majesty's trawler Campina was sunk by enemy mine. Three survivors were landed safely but it is feared that the Commanding Officer and ten ratings have lost their lives.

BUDGET PLACIDLY RECEIVED
No Surprises, Little Criticism

LONDON, July 23 (Reuter).—No Chancellor of the Exchequer ever had a more placid assembly to address than that faced by Sir Kingsley Wood this afternoon, states "Reuter's" lobby correspondent.

There was no excitement before or during the speech. Members had simply assembled to hear what was necessary for the nation's unalterable purpose—to win the war.

The "Get your money ready" with which Sir Kingsley Wood was greeted when he began provided the keynote to the reception of the speech.

Ready For Anything

Members were ready for anything and were not going to make a fuss about it.

After the speech there were three comments. Firstly, that it was not as bad as expected; secondly, that it was pretty grim; thirdly, it was not sufficiently comprehensive.

The last criticism was heard after Sir John Simon's last budget, but Sir Kingsley Wood made it clear that this was merely an interim statement. He did not even attempt to strike a balance sheet. He simply presented his proposals and then said in effect: "It is as much as we can ask for at the moment. I shall be back later. Meanwhile save and give to the State."

Taken as a whole the proposals had a good reception. Everyone expected an increase in income tax and there was some relief that the proposal to increase the standard rate to 8/6d. was not more.

Increases in beer and tobacco were also expected. Some Members felt that more money could have been raised by lowering the income tax limits still further and by making the rate of 18s. in the £ apply to much lower incomes than those in excess of £20,000 a year.

Won't Become Nazi Puppet
Norwegian Govt. Supports King

LONDON, July 23 (Reuter).—A letter from the Norwegian Government in England, signed by the Prime Minister, M. Nygaardsvold, has been sent to the Presidential Board of the Storting in Norway with regard to plans to dethrone the King of Norway, remove the Norwegian Government, and establish in Norway a "State Council" under German control, which was recently discussed in Norway.

The letter says that the Government entirely agreed with the views expressed in the letter of King Haakon to the Board on July 3, declaring that the Storting, summoned during the occupation of Norway by foreign military forces, could not truly represent the will of the Norwegian people, and that it was an illusion to think that peace would be gained for the country by creating a government which collaborates with Germany.

New Zealanders Join Up Fast

WELLINGTON, July 23 (Reuter).—Enlistments in the New Zealand Expeditionary Force up to the close of the voluntary recruiting system yesterday totalled 39,044.

Mr. Jones, Minister of Defence, in announcing this, expressed the opinion that all would agree that the result was satisfactory.

Recruiting was accelerated during the closing stages of the voluntary system, the last day being a record.

Men are now available to provide the fourth and fifth contingents with reinforcements.

Reorganisation Of Allied Forces

LONDON, July 23 (Reuter).—In the House of Commons to-day, Mr. Anthony Eden, Secretary for War, stated that French, Polish, Czech, Dutch and Norwegian units were in the progress of re-organisation in Britain.

The Government greatly valued the aid these units would be able to give.

Steps were being taken to decide which of the men now interned could be discharged for enlistment in special companies of the Auxiliary Pioneer Corps.

Hungary's Claims
Hitler To Play His Usual Game

BUCHAREST, July 23 (Reuter).—The Prime Minister, M. Gigurti, and the Foreign Minister, M. Manoilescu, who have been invited to Salzburg on Friday, are expected to meet Hitler at lunch and to leave for Bucharest the same evening.

It is generally thought that the subject of the meeting will be Hungary's revisionist claims, and the outcome of the meeting is awaited with the greatest anxiety in informed quarters, which have little doubt that it will bring the Transylvanian issue to a head.

Rumania Incensed

The nature of the present Hungarian press and radio campaign has incensed Rumania and something like consternation has been caused by an article in the Budapest newspaper, "Pester Lloyd," on Sunday, strongly attacking the policy of the Rumanian Government.

The Budapest broadcast this morning alleged gross ill-treatment of Hungarian minorities in Transylvania and ended by declaring: "The fate of Rumania is sealed."

Political circles here are still confused over the division of interests in the Balkans between Russia and Germany. While it is generally assumed that Germany has for the moment resigned Rumania to the Soviet sphere, direct information from Berlin suggests that Hitler now wants clarification of the situation in southeast Europe before launching an offensive against Britain.

At the same time there are indications that Germany has underestimated the will for national liberty in the Balkans.

The Nazis are finding in Rumania stubborn resistance against even minor territorial cessions to Hungary.

Indian Army Growing
Thousands Of Recruits Rush To Join Up

SIMLA, July 23 (Reuter).—Thousands of recruits are enrolling as the advance guard of the "First Hundred Thousand" who, as the Commander-in-Chief, Sir Robert Cassels announced last May, will represent the response of India to the growing totalitarian menace to her security.

New formations comprise motorised and armoured units, infantry, artillery and specialised troops, besides quadrupling Indian aviation.

The increase is only the initial step, but it is noted that it represents an addition of several divisions to the field army, besides an increase in other formations.

STOCK EXCHANGE HOLDS FIRM

LONDON, July 23 (Reuter).—The Stock Exchange to-day was very firm despite the imminence of the Budget.

Gold-mining holdings continued to attract active buyers while home rails initially advanced but later reacted partially on profit-taking.

An early hesitancy in gilt-edged securities gave place to strength.

Industrials were firm, the leaders occasionally advancing.

A quiet demand carried some oil stocks higher.

Wall Street was steady.

Another 1,300,000 Ready For Nazis

LONDON, July 23 (Reuter).—In the House of Commons to-day, Mr. Anthony Eden, the Secretary for War, stated that the Local Defence Volunteers, hereafter to be called Home Guards, now exceeded 1,300,000 (Cheers).

Therefore it had been decided temporarily to suspend recruiting in the near future except in those districts where the strengths have not yet met immediate requirements.

The King Receives Mr. Churchill

LONDON, July 23 (Reuter).—His Majesty the King received Mr. Winston Churchill in audience at Buckingham Palace for half an hour to-night.

Air Chief Marshal Sir Cyril Newall, Chief of Air Staff, was also received in audience.

HEROES OF THE AIR
Decorations For Many Gallant Fliers

LONDON, July 23 (Reuter).—Two Distinguished Service Orders, 20 Distinguished Flying Crosses and 14 Distinguished Flying Medals are among the Air Force awards for gallantry and devotion to duty announced in the "London Gazette" to-night.

The Distinguished Service Orders are awarded to Squadron Leader James Kenneth Montague Drysdale and Flight Lieutenant David Christopher Yorke.

Brilliant Exploit

It is also announced that the Distinguished Flying Cross is awarded to Pilot Officer John Fraser Drummond, who, during operations in Norway, shot down two enemy aircraft and seriously damaged a further three.

On one occasion as pilot of one of two Hurricanes which attacked four Heinkel III's, he damaged one enemy aircraft and then engaged two others. He pressed home his attack despite heavy return fire, silenced the rear guns of both aircraft and compelled the Heinkels to break off the engagement.

The Negus At Khartoum
On Hand For Expected Ethiopian Revolt

CAIRO, July 23 (Reuter).—The British Government has placed a house in Khartoum at the disposal of Haile Selassie.

It is stated that the Emperor realises that the time is not yet ripe for him to enter Abyssinia, but he has expressed the strongest desire to be in the vicinity of his country in order to move instantly when a suitable occasion arises and to give immediate help to his people.

Ready To Revolt

The approaching rainy season in Abyssinia is likely to be dangerous for the Italians. Their military operations will be restricted, and with the prospect of liberation and the knowledge that their Emperor is close at hand, the tribesmen will lose no opportunity of extending the revolt which has already broken out in a number of districts.

CANADA'S WAR MACHINE

HALIFAX, July 23 (Reuter).—"Canada's war machine is going at full steam," declared Mr. Ralston, the Canadian Minister for Defence at a press conference to-day.

Mr. Ralston added that the response to the Canadian recruiting was even beyond expectations and the response by Canadians generally to the war effort was unstinted.

Revision Of Loose Talk Offences

LONDON, July 23 (Reuter).—Mr. Winston Churchill, making a statement on "silent columns", said in the House of Commons that he had asked the Home Secretary to have every sentence imposed by Courts for loose and defeatist talk carefully and immediately reviewed.

Mr. Churchill also stated that he had asked the Home Secretary to see that these sentences should be reduced or remitted wherever it was clear that there was no evil wish or systematic purpose to weaken the national defence effort by the persons concerned.

Provisional Czech Govt. Formed

LONDON, July 23 (Reuter).—In the House of Commons to-day, Mr. Winston Churchill announced that after negotiations between Lord Halifax and Dr. Benes on behalf of the Czecho-Slovakia National Committee, the British Government had decided to recognise the Committee, with certain additions, as the Provisional Czecho-Slovak Government.

Missing Sergeant Returns

Sergeant J. S. Burnett of the R.A.M.C., who has been "missing" for three weeks, is reported by the local police to have given himself up this morning.

It is reported that Sergeant Burnett returned to barracks and is now in the Military Hospital.

Crossword Puzzle

By LARS MORRIS

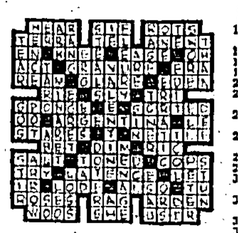
ACROSS

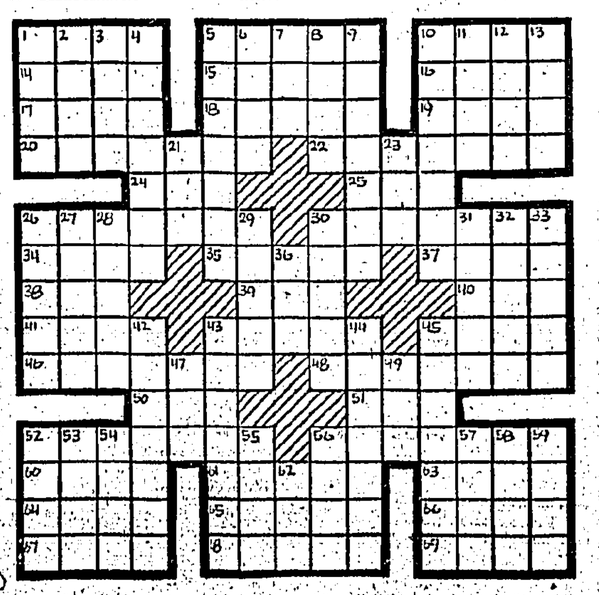
1—Weight (colloquial)
5—Whirling part
10—Roundish lumps
14—Wing-shaped
15—Race people
16—Date of death
17—Italian coin
18—French capital
19—Greater in number
20—Lad brought up on farm
22—Make critical notes
24—Dance step
25—Opposite to weather side
26—Not as big
30—One who exacts satisfaction for wrong
34—Remove skin of
35—Compactly constructed
37—Dark-skinned foreigner (slang)
38—Organ of sight
39—Parcel of land
40—Syllable used in singing
41—Unaccompanied
43—One who yields
45—Young college woman (slang)
46—Surveyor's instrument
48—Frequented place
50—Dorothy
51—Dimdent
53—Sister of Apollo
56—Believer in Jewish settlement of Palestine
60—Increase size of hole
61—Asiatic carnivore
63—Always
64—Prefix: against
65—Take out
66—East-Indian food
67—Flat, circular plate
68—Bird homes
69—Frozen water

DOWN

1—Fifty percent
2—Charles Lamb
3—Welsh heavyweight boxer
4—Step heavily
5—Rested
6—Palm-leaves used for writing
7—French shooting-match
8—Situated near ear
9—Fixed determination
10—Express favorable opinion of
11—Musical instrument
12—Burden (Scottish)
13—Let it stand
21—Balance (abbr.)
23—Welsh astronomer (died 1926)
26—Wrote letters of, as word
27—Executive head of city
28—Circus ring
29—Are leased again
30—Combining form: star
31—Crocodile-like reptile (col.)
32—Aquatic bird
33—Avenues
36—Affirmative shake
42—Local disease
43—One owing allegiance to government
44—Speaks from memory
45—Dilapidated condition
47—Sheatfish
49—Nickname of Sault Ste. Marie canal
52—County in Roumania
53—Italian painter (died 1642)
54—Makes edging
55—Father
56—Keen enjoyment
57—Russian emperor
58—Late in Russia
59—Suppose (archaic)
62—Low (French)

ANSWER TO PREVIOUS PUZZLE





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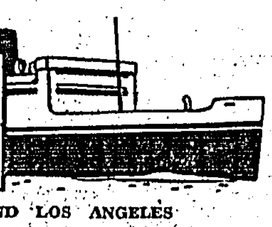
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Emergency Hospital

Successful Trial Period At Kowloon School

A portion of the building of the Central British School was last week turned into a "trial" hospital, and it was visited by a representative of the Government Medical Department on Monday.

The representative found that the lower floors of the School had been sand-bagged, like the Supreme Court and other buildings, and by courtesy of the Medical Authorities in charge he was permitted to see that portion of the building now serving as an Emergency Hospital for a fortnight's trial.

The Government representative found a large airy room, which normally functioned as a hall, serving as a ward for about 20 men surgical cases who are being attended by members of the Auxiliary Nursing Service, including fully trained nurses.

On an upper floor was seen a smaller ward containing about 12 women surgical cases, and all of them were very happy to be in such a clean and well ventilated place. A portion of the School, formerly given over to the teaching of domestic science, provided excellent culinary facilities.

Along the same corridor the representative found rooms allocated for the use of a dispensary, an operating theatre, and anaesthetic and X-ray rooms. On making enquiries, it was discovered that the head of the nursing service was the Matron of the Kowloon Hospital, who was combining her own work at the Hospital with that at the School.

The representative was also informed that the response for volunteers to co-operate at the Emergency Hospital was 100 per cent., in so far as concerned the European section of the Auxiliary Nursing Service. Mrs. Upsdell, wife of the Headmaster of the Central British School, was acting as Lady Superviser of the non-medical work of the Hospital, with the assistance of two voluntary assistant supervisers.

First Aid Posts

It was learned from an authoritative quarter yesterday that, in spite of the somewhat disappointing response from the Chinese members of the Auxiliary Nursing Service, in connection with the present work at the Central British School yet of the 76 nurses who were asked to volunteer for duty at 19 First Aid posts, all reported for duty. Needless to say, the vast majority of these nurses are members of the Chinese community.

Extensive training is being carried on at the First Aid posts.

LATE NEWS

R.A.F. Carry On The Good Work

DESTROYING NAZIS SINEWS OF WAR

LONDON, July 23 (Reuter).—Further details of last night's R.A.F. attacks are given by the Air Ministry news service.

At Bremen and Fockewulf, aircraft works already damaged in previous raids, were bombed for the second night in succession.

Several explosions occurred and many fires were started.

Hits were also obtained on docks.

In a raid on an aircraft store at Paderborn, a large explosion was reported between the hangars from which columns of smoke were seen rising.

Oil Plant Hit

In an attack on an oil plant at Gelsinkirchen an observer reported a large explosion two minutes after bombs had been released, but a drifting cloud obscured the full result of the attack.

Another raider later reported that a large building was in flames and that columns of thick black smoke were seen.

While this raid was in progress, other aircraft were attacking an oil plant and Krupps munitions works at Essen, but clouds rendered accurate observation of the results impossible.

Widespread Damage

Another report says that an aircraft factory at Bremen, an aircraft park at Paderborn and military objectives in the Ruhr, including a synthetic oil plant at Gelsenkirchen were among objects attacked by Bomber Command aircraft last night.

Forces of our aircraft bombed aerodromes in northern France, Holland and Germany.

Two of our aircraft are missing.

Docks and petrol stores at Amsterdam and a barge concentration southwest of the Helder dock basin west of Ijmuiden, and shipping in Dunkirk harbour were attacked by aircraft of the Coastal Command during the night.

All these machines returned safely.

An enemy bomber was shot down by R.A.F. fighters near the northeast coast of Scotland during the afternoon.

T. V. Soong's Future

Appointment To New Ministry Indicated

CHUNGKING, July 24 (Reuter).—Although the names of Mr. T. V. Soong and Mr. Chen Kwan-pu are being widely mentioned as possible candidates for the new post of Minister of Economic Warfare, it is still uncertain whether the new Ministry will be established in the near future.

Meanwhile reports are current that Mr. Soong may remain in Washington as China's Ambassador in succession to Dr. Hu Hsih, who is expected to return shortly to China to assume the post of President of the Academia Sinica, which has been vacant since the death of Dr. Tsai Yuan-pei at Hongkong some months ago.

Following the abolition of the Chinese Embassies and Legations in the Netherlands, Denmark, Norway and Belgium as the result of the latest European developments, several prominent Chinese diplomats are returning to Chungking to join the Foreign Office.

VICEROY'S WAR FUND MOUNTS

LONDON, July 23 (Reuter).—A Simla message reports that the Viceroy's War Purposes Fund is now over £760,000 and subscriptions have been coming in steadily ever since the war began. They are entirely voluntary and come from all classes of people.

One of the latest donations comes from the Maharajah of Gondal, who has sent a lakh of rupees (£7,500) ear-marked for the children's evacuation scheme. Of this sum £1,000 meets the needs of children from the Channel Islands.

The Secretary of State for India has asked the Viceroy to convey His Majesty's appreciation of the gift by the Maharajah.

JOHN BLUNT SAYS—

Evacuation Complaints Must Be Investigated

There is obviously something more than "a storm in a teacup" in the many expressions of dissatisfaction concerning the lot of many of the evacuees.

The complaints from Manila are of too corroborative a nature to be brushed aside as exaggerations, and independent investigation appears to be necessary. It is not a question of disputing the necessity for the evacuation of women and children. Government must be assumed to know what is advisable.

It does not take a great deal of imagination to visualise the plight of mothers who have found themselves strangers in a strange country, the more especially when it must be remembered that many of them are possessed of scant means. They have been accustomed to comfortable homes. Now, they suffer from the sense that they are outcasts.

Someone Is Responsible

Such, is of course, not the case. Even although certain exemptions have the effect of creating the suspicion that very little danger exists (a suspicion that should never have been created) women played their part in acting in accordance with instructions issued. If every reasonable care has not been taken to assure, as far as possible, their comfort and peace of mind, somebody must bear the responsibility.

Whether the complaints are based upon official inefficiency, or just plain muddling, is beside the point. From Australia comes news that, even at this late juncture, the Commonwealth Government is not as yet in possession of necessary particulars concerning Hongkong refugees whom they are willing to take and care for!

Why Not Send An Official?

It is also difficult to understand why the Government is not sending to Australia one of its officials with whom the evacuees will be able to consult from time to time, as problems arise. It is true that the Dean of Hongkong has, as far as I understand, offered his services, which have been accepted. With all due deference to the Dean, it is to be assumed that his work in the Colony will not permit him to absent himself for any length of time, and if it is to be a repetition of his visit to Manila, which was of extremely short duration, Government should reconsider the matter, and appoint from the Service an officer who can be seconded to Australia for whatever period may be necessary.

The responsibility is great, and every assurance should be given to those who remain that their women and children will not suffer any unnecessary hardships either mental or physical. They will all accept the inevitable and make the best of circumstances, but the circumstances must be softened by the exercise of official sympathy and tact.

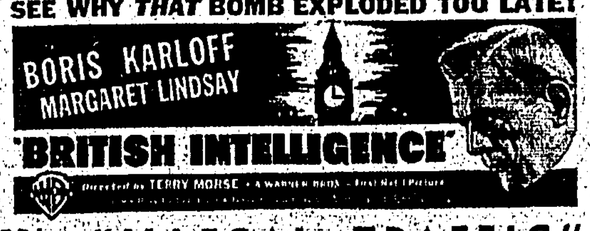
INCORPORATION OF LITHUANIA

KAUNAS, July 23 (Reuter).—The Seimas (Diet) has decided to send a delegation consisting of 20 persons, headed by President Paleckis, to Moscow to carry out arrangements for the incorporation of Lithuania in the Soviet Union.

The nationalisation of banks, large enterprises and estates of over 75 acres has also been decided upon by the Seimas.

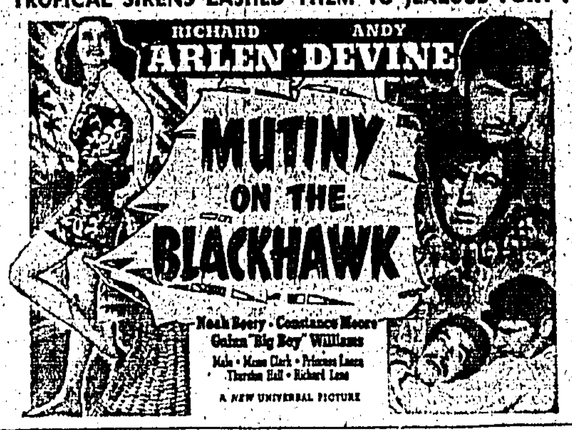
Greetings have been sent to Stalin.

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